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ABSTRACT

This publication describes State funds transmitted to local agencies for the support of elementary and secondary education. Each distribution identified as a separate fund by the State is described in terms of (1) title, (2) legal citation, (3) appropriation for the school year or estimate, (4) percentage of total State funds transmitted, (5) expenditure restructions, (6) calculation of district allowance, (7) State and local shares of the allowance, (8) district requirements for participation, (9) extent of participation, and (10) distribution schedule. In addition, the report includes information describing local property assessment procedures, State provisions for equalizing local assessments, local taxing authority and limits thereto, local borrowing provisions including the issuing and sale of bonds, voting requirements, limitation on debt, and provisions for school budgets and audits. Although technical in nature and intended primarily for persons familiar with the field of school finance, the publication can also be used by lay persons to gain a general understanding of the mechanics of State school finance programs. A related document is ED 054 547. (Editor/JF)

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PUBLIC SCHOOL FINANCE PROGRAMS, 1971-72
(States, District of Columbia, and Outlying Areas)

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Previous publications in this series are listed below:

- Public School Finance Programs of the Forty-Eight States, 1949-50. (Circular 274)
- Public School Finance Programs of the United States, 1953-54. (Misc. No. 22)
- Public School Finance Programs of the United States, 1957-58. (OE 22002, Misc. No. 33)
- Revenue Programs for the Public Schools in the United States, 1959-60. (OE 22013, Misc. No. 38)
- State Programs for Public School Support, 1962-63. (OE-22023, Misc. No. 52)
- Public School Finance Programs, 1966-67. (GPO 924-786)
- Public School Finance Programs, 1968-69. (OE 22002-69)

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CONTENTS

Page

INTRODUCTION 1

FUND CLASSIFICATION TABLES 3

PUBLIC SCHOOL FINANCE PROGRAMS:

ALABAMA 6
ALASKA 11
ARIZONA 18
ARKANSAS 25
CALIFORNIA 35
COLORADO 45
CONNECTICUT 53
DELAWARE 65
FLORIDA 70
GEORGIA 80
HAWAII 87
IDAHO 89
ILLINOIS 94
INDIANA 107
IOWA 115
KANSAS 121
KENTUCKY 128
LOUISIANA 133
MAINE 141
MARYLAND 151
MASSACHUSETTS 155
MICHIGAN 162
MINNESOTA 168
MISSISSIPPI 174
MISSOURI 182
MONTANA 188
NEBRASKA 194
NEVADA 201

Page

NEW HAMPSHIRE 205
NEW JERSEY 213
NEW MEXICO 226
NEW YORK 234
NORTH CAROLINA 243
NORTH DAKOTA 250
OHIO 254
OKLAHOMA 263
OREGON 270
PENNSYLVANIA 277
RHODE ISLAND 290
SOUTH CAROLINA 295
SOUTH DAKOTA 305
TENNESSEE 311
TEXAS 317
UTAH 323
VERMONT 340
VIRGINIA 344
WASHINGTON 351
WEST VIRGINIA 357
WISCONSIN 365
WYOMING 373
DISTRICT OF COLUMBIA 379
AMERICAN SAMOA 380
CANAL ZONE 381
GUAM 382
PUERTO RICO 383
VIRGIN ISLANDS 385

ACKNOWLEDGMENT

The description of each State school finance program was prepared by a school finance specialist from the respective State in cooperation with the U.S. Office of Education. The names and titles of these specialists are given on the first page of each State's description.

The Office expresses appreciation to the State finance specialists for making this publication possible.

INTRODUCTION

Purpose

Public School Finance Programs, 1971-72 is the seventh in a series of compendiums prepared by the U.S. Office of Education in cooperation with the 50 States, the District of Columbia, and outlying areas in order to provide a concise description of State systems of school support.

While the publication is technical in nature and intended primarily for persons familiar with the field of school finance, it can be used by lay persons as well to gain a general understanding of the mechanics of State school finance programs.

The primary purpose of the publication is to provide a description of State funds transferred to local agencies for the support of elementary and secondary education together with information concerning local taxing and borrowing authority and State-required budget and audit provisions.

Contents

The compendium contains 56 sections which describe the State school finance system of each State, the District of Columbia, and the five outlying areas. Each State section has three parts: (1) Selected Program Facts, (2) a fund description, and (3) information concerning local support and local budget and audit provisions.

Included in Selected Program Facts is salient information about State and local support provisions. The types of information included in this part vary from State to State in that only the most important and unusual features of a State's school finance system are highlighted.

The fund description part of the section is organized into three columns. Each distribution identified as a separate fund by the State is described as follows: In column one--title, legal citation, appropriation for the school year or estimate, the percent the fund is of total State funds transmitted to local agencies for the support of elementary and secondary education, purpose of distribution and expenditure restrictions, and calculation of district allowance; column two--the State and local share of each district's allowance; column three--district requirements for participation, extent of participation, and distribution schedule.

The third part of the section includes information describing local property assessment procedures, State provisions for equalizing local assessments, local taxing authority and limits thereto, local borrowing provisions including the issuing and sale of bonds, voting requirements, limitation on debt, and provisions for school budgets and audits.

Cautions

While it was intended that the compendium provide as much detail as necessary for the reader to gain a general understanding of the workings of State school finance systems, such a publication cannot provide an exhaustive description of all laws and regulations which comprise a State's school finance system. Students and researchers desiring specific detail should use the compendium in conjunction with State laws and regulations. Legal citations have been provided to assist the researcher in this respect.

Although it was intended that only State programs for the support of elementary and secondary education be reported in this publication, in some instances programs for the support of adult education and junior colleges were included, particularly if the State considered the programs to be a part of the regular secondary education program. When reported, various State loan programs (usually for capital outlay or debt service) were included in the description, but outlays for these programs were not included in the fund total. Also, a number of States reported outlays for teacher retirement programs, State administrative costs, State-operated institutions, and for other programs where funds were not transmitted to school districts for the support of elementary and secondary schools.

As noted above, there are some inconsistencies among the State descriptions as to what funds were reported. Such inconsistencies are to be expected in a compendium prepared by 56 authorities working independently. For instance, in a few cases State vocational education funds and school lunch funds were not reported because the fund was not administered through the State education agency. Undoubtedly a few other funds were inadvertently omitted for a variety of reasons, but it is unlikely that any major State school funds have been omitted.

As a final cautionary note, the base year of reporting varies for several States. The publication was originally intended to report only 1971-72 school data; however, because of the length of time from the initial request for data to submission of the publication for printing several States submitted 1972-73 or 1970-71 data. While consistency in base year reporting has value for interstate comparisons, currency of information was considered to be of more importance to students and researchers.

Summary Tables

Three summary tables in which the State school finance programs are variously classified are included in this publication.

In table 1 funds are classified by general purpose and special purpose and by flat distribution and equalizing distribution. A general-purpose grant is largely nonrestrictive in that local agencies have substantial latitude in its use. Broadly limited funds such as salary aids, current expenditures funds, and the like are classified as general-purpose funds. The special-purpose grant denotes those State funds on which the State has placed relatively precise expenditure restrictions. Typically such restrictions are directed to program, object, or type of pupil. A flat-grant distribution is commonly defined as a fund distributed to each district uniformly on a per pupil, per instructional unit, per mile transported, or some other equal unit basis without regard to the wealth of the district. While flat grants do not take financial ability into account, they can and often do take educational cost variations into account through various program and pupil weightings. Equalizing grants are those which take some account of school district financial ability in the calculation of district entitlements and (in theory, at least) provide relatively more funds for poorer districts than for wealthier districts at a given level of financial effort. The reader should note that it is possible for a fund to be classified as equalizing when it in fact provides very little equalization of financial resources.

In table 2 State funds are classified by purpose of expenditure. While all major categories of special purpose are included, the list is not exhaustive. The Basic Multi-Program category includes the State's primary school support fund or funds. These are the large foundation - type, equalizing, or basic flat-grant programs. Besides providing a basic support mechanism for the public schools, these funds more often than not are also designed to meet a variety of special purposes. When this is the case, an asterisk is used to indicate the special purpose served by the Basic Multi-Program. In some instances a special purpose is served not only by the Basic Multi-Program but by one or more categorical aids as well. Where a special purpose is served by one or more categorical aids, the dollar amount of the aid is posted under that purpose. The "other" category includes primarily general-purpose aids which are not a part of the Basic Multi-Program and also categorical aids which could not be fitted to the classification.

In table 3 the States' Basic Multi-Programs are classified according to a typology developed by the National Educational Finance Project.[1] The following definitions are taken directly from this source.

---

[1] Roe L. Johns and Richard G. Salmon, "The Financial Equalization of Public School Support Programs in The United States for The School Year, 1968-69," in Status and Impact of Educational Finance Programs. Vol. 4, National Educational Finance Project, pp. 121-123.

Flat Grants: Both uniform and variable flat grants are allocated to all districts regardless of wealth. Uniform flat grants allocate on the basis of an equal amount per child or pupil while variable flat grants weight such pupil counts according to cost factors over which the district has no control. Grade level, program offering, pupil handicap, and pupil sparsity are examples of such cost factors. Uniform and variable flat grants, although not classified as equalizing (except in complete State finance systems such as Hawaii), do act in an equalizing manner to some degree in that the wealthy districts contribute relatively more to the State fund than they receive in return while poorer districts receive through the subvention relatively more than they contribute.

Equalization Grants: All equalization grants take into consideration variations in the taxpaying ability of the local districts, but not all equalization grants consider the variations of educational needs of the student population. Like the flat grants, equalization grants may be either general or special purpose. There are many variations in equalization grants as follows:

a. Strayer-Haig-Mort Formula -- Unweighted Measures of Need.

Educational needs are calculated in terms of a uniform amount per pupil or per teacher or some other method that ignores the variation of educational needs of the student population and the yield of a required local tax effort in proportion to ability is deducted from the total cost of the program in order to determine the State allocation.

b. Strayer-Haig-Mort Formula -- Weighted Measures of Need.

Educational needs are calculated in terms of weighted unit costs such as weighted pupils or weighted teachers which take into consideration necessary unit cost variations and the yield of a required local tax effort in proportion to ability is deducted from the total cost of the program in order to determine the State allocation.

c. Percentage-Equalizing or State Aid Ratio Program.

Educational needs are calculated on either the basis of a. or b. above and the State aid to each district is computed according to the relationship of some measure of wealth per pupil to the same measure of wealth in the average district in the State. Under this plan, similar to the Strayer-Haig-Mort plan, State funds are allocated in inverse proportion to the taxpaying ability of the local school districts.

d. The Guaranteed Valuation or Tax Yield Per Unit of Need Plan.

Under this unique plan, the State guarantees to each district a fixed valuation or tax yield per pupil or per teacher unit. The pupil or teacher units may be weighted or unweighted. Basically, this model provides each district the difference between the yield of a given tax levy and its equalized assessed valuation per pupil or per teacher unit which the State has previously guaranteed for the State. This model provides much the same effect on equalization as the Strayer-Haig-Mort model.

Complete State and Federal Support: This simply describes a flat grant program with no local leeway. If all funds are State and Federal, no district is advantaged or disadvantaged by its relative wealth.

Several States are classified under two categories. This is simply because the Basic Multi-Program of these States is comprised both of flat and equalizing programs.

Table 1. -- Classification of State Grants Distributed by State Education Agencies for Kindergarten Through Adult Education Programs, by Method of Distribution and Purpose, 1971-72

Amounts in Millions of Dollars

	Total Distributions			General Purpose			Special Purpose		
	Flat	Equalizing	Total	Flat	Equalizing	Total	Flat	Equalizing	Total
Alabama	$ 29.9	$ 228.7	$ 258.6	$ 14.0	$ 228.7	$ 242.7	$ 15.9	--	$ 15.9
Alaska	45.4	67.1	112.5	28.9	67.1	96.0	16.5	--	16.5
Arizona	167.8	15.1	182.9	162.2	15.1	177.3	5.6	--	5.6
Arkansas	5.9	110.1	116.0	1.5	100.5	102.0	4.4	$ 9.6	14.0
California b/	871.4	547.3	1418.7	584.1	547.3	1131.4	287.3	--	287.3
Colorado	22.5	137.1	159.6	1.3	137.1	138.4	21.2	--	21.2
Connecticut	273.9	--	273.9	131.6	--	131.6	142.3	--	142.3
Delaware	101.5	2.8	104.3	77.5	2.8	80.3	24.0	--	24.0
Florida	85.1	627.6	[illegible]	61.9	601.1	663.0	23.2	26.5	49.7
Georgia	85.4	340.3	425.7	--	340.3	340.3	85.4	--	85.4
Hawaii	222.4	--	222.4	--	--	--	222.4	--	222.4
Idaho	.4	47.9	48.3	--	47.9	47.9	.4	--	.4
Illinois	202.8	766.9	969.7	--	766.9	766.9	202.8	--	202.8
Indiana	76.4	256.7	333.1	46.3	256.7	303.0	30.1	--	30.1
Iowa	96.4	115.0	211.4	71.0	115.0	186.0	25.4	--	25.4
Kansas	8.3	118.0	126.3	--	118.0	118.0	8.3	--	8.3
Kentucky	2.9	240.7	243.6	--	240.7	240.7	2.9	--	2.9
Louisiana	57.0	360.6	417.6	32.5	360.6	393.1	24.5	--	24.5
Maine	6.4	59.2	65.6	--	50.3	50.3	6.4	8.9	15.3
Maryland	278.4	189.3	467.7	--	176.7	176.7	278.4	12.6	291.0
Massachusetts	44.1	268.0	312.1	--	225.0	225.0	44.1	43.0	87.1
Michigan	119.8	722.6	842.4	--	722.6	722.6	119.8	--	119.8
Minnesota a/	114.8	529.3	644.1	--	529.3	529.3	114.8	--	114.8
Mississippi	37.6	142.1	179.7	15.7	142.1	157.8	21.9	--	21.9
Missouri	60.3	264.8	325.1	--	264.8	264.8	60.3	--	60.3
Montana b/	9.1	29.3	38.4	6.9	29.3	36.2	2.2	--	2.2
Nebraska	8.6	35.0	43.6	5.7	35.0	40.7	2.9	--	2.9
Nevada	--	50.0	50.0	--	50.0	50.0	--	--	--
New Hampshire	6.6	2.6	9.2	1.9	2.6	4.5	4.7	--	4.7
New Jersey a/	242.9	308.2	551.1	--	278.5	278.5	242.9	29.7	272.6
New Mexico	138.9	6.3	145.2	121.1	6.3	127.4	17.8	--	17.8
New York a/	82.2	2450.1	2532.3	--	2345.0	2345.0	82.2	105.1	187.3
North Carolina	497.7	--	497.7	450.6	--	450.6	47.1	--	47.1
North Dakota	4.9	27.1	32.0	3.3	27.1	30.4	1.6	--	1.6
Ohio	95.1	691	786.9	--	642.0	642.0	95.1	49.8	144.9
Oklahoma	18.5	129	147.6	6.0	129.1	135.1	12.5	--	12.5
Oregon	92.4	1	107.1	78.4	14.7	93.1	14.0	--	14.0
Pennsylvania	147.1	109	[illegible]	--	953.0	953.0	147.1	141.1	288.2
Rhode Island	4.5	61.4	65.9	--	55.3	55.3	4.5	6.1	10.6
South Carolina	216.6	--	216.6	168.0	--	168.0	48.6	--	48.6
South Dakota b/	4.1	14.8	18.9	3.2	14.8	18.0	.9	--	.9
Tennessee	21.6	224.5	246.1	--	224.5	224.5	21.6	--	21.6
Texas	337.4	642.1	979.5	313.4	642.1	955.5	24.0	--	24.0
Utah	22.6	106.2	128.8	--	105.4	105.4	22.6	.8	23.4
Vermont	10.9	28.2	39.1	--	28.2	28.2	10.9	--	10.9
Virginia a/	142.2	267.8	410.0	95.0	267.8	362.8	47.2	--	47.2
Washington	105.5	251.1	356.6	46.3	230.1	276.4	59.2	21.0	80.2
West Virginia	8.5	145.2	153.7	--	145.2	145.2	8.5	--	8.5
Wisconsin	174.1	153.0	327.1	69.7	153.0	222.7	104.4	--	104.4
Wyoming b/	.7	19.9	20.6	.7	19.9	20.6	--	--	--
TOTAL	$ 5,409.5	$ 12,909.7	$ 18,319.2	$ 2,598.7	$ 12,455.5	$ 15,054.2	$ 2,810.8	$ 454.2	$ 3,265.0

NOTE: See Introduction for definitions of classifications.
For certain States, as footnoted, funds for 1970-71 or 1972-73 are reported.

a/ 1972-73 school year reported.

b/ 1970-71 school year reported.

Table 2. -- Classification of State Grants Distributed by State Education Agencies for Kindergarten Through Adult Education Programs, Purpose for Basic Program and for Specific Categorical Programs, 1971-72

Amounts in Millions of Dollars

	BASIC MULTI-PROGRAM	EARLY CHILDHOOD EDUCATION INCLUDING KINDERGARTEN	COMPENSATORY EDUCATION	SPECIAL OR EXCEPTIONAL EDUCATION	VOCATIONAL EDUCATION	ADULT AND CONTINUING EDUCATION	TRANSPORTATION	SCHOOL HOUSING	TEXTBOOKS, LIBRARIES, EQUIPMENT AND SUPPLIES	ADMINISTRATION AND SUPERVISION	DRIVER EDUCATION	PROFESSIONAL AND CURRICULUM IMPROVEMENT	SCHOOL LUNCH	DISTRICT ORGANIZATION	HEALTH SERVICES	MUNICIPAL OVERBURDEN DENSITY	OTHER	TOTAL
Alabama	$ 228.7			* $ .7	$ 12.7	$ .1	*	*	$ 2.0	*	$ .4						$ 14.0	$ 258.6
Alaska	67.1			*	* .7		$ 5.2	$ 8.6									30.9	112.5
Arizona	75.9		$ .1	3.2	2.1												101.6	182.9
Arkansas	100.5			.5	1.0	.2	9.6	g/	1.9	$ .5				*			1.8	116.0
California b/	1092.3 h/	*	14.9	182.8	.6		26.1	40.9 f/	19.3	19.3	16.3	$ 1.1	$ 6.0	*			40.0	1418.7
Colorado	137.1	*	1.2	6.8	7.0		5.5					.3	.2				1.5	159.6
Connecticut	131.6	*	8.0	15.7	12.4	1.0	7.4	93.9	.2		.5		.2		$ .2		2.7	273.9
Delaware	77.5			*	1.3		5.8	15.8		*			*				3.9	104.3
Florida	601.0	*		* 4.0	* 3.2	*	*	31.4	9.0	*	2.1	*					61.9	712.7
Georgia	340.3	*		* d/	14.9		*	27.2	*	* d/		d/	d/				43.3	425.7
Hawaii	113.6			8.4		1.2	3.2	47.2	7.4	7.6	.1	4.3	17.0				12.4	222.9
Idaho	47.9			*	.4		*											48.3
Illinois	766.9	*	2.3	63.6	16.0		32.9	70.9		*	8.2		8.9					969.7
Indiana	256.7	*		3.8	2.1	2.1	18.1	19.0 f/									50.3	333.1
Iowa	115.0			3.7	19.6						1.7						71.4	211.4
Kansas	109.6 c/	*		3.8	.4		*				.9						11.6	126.3
Kentucky	240.7			*	*		*	*	2.9	*								243.6
Louisiana	360.6	*		* 1.7	* 3.0	.3	*		7.8	*	.4		11.2				32.7	417.7
Maine	50.3			1.4	2.3		*	7.5			.2			$2.8			1.1	65.6
Maryland	176.7			27.1			32.4	217.9 e/			1.0					*	12.6	467.7
Massachusetts	225.0			18.1			17.5	43.0					6.8				1.7	312.1
Michigan	722.6		23.0	58.7			32.6	18.6 f/		5.5								842.4
Minnesota a/	529.3	*	*	21.2	34.9		33.3										25.4	644.1
Mississippi	142.1			*	* 9.8		*	7.2	3.7	*	.7		.4				15.8	179.7
Missouri	264.8	*	*	14.0	6.9		25.2	12.4				1.0	.6	.2				325.1
Montana b/	29.3			*	.5		1.3				.3						7.0	38.4
Nebraska	35.0	*	*	* 1.3	.1		*				.7	*					6.5	43.6
Nevada	50.0	*		*			*											50.0
New Hampshire	2.6	*		.9	.2			2.0		.3	.4		.1	.3			2.4	9.2
New Jersey a/	278.5	*	*	42.0	* 4.7	* 2.7	35.5	36.6					6.3	*			144.8	551.1
New Mexico	96.1			4.5	.8		8.8		2.7	*		.5					31.8	145.2
New York a/	2345.0	*	47.0				*	*	17.0	105.1	7.2		11.0	*		*		2532.3
North Carolina	450.6			* 2.1	* 25.5		* 4.8		7.7	*	6.5	.3			*		.2	497.7
North Dakota	27.1			.7	.9		*	7.9 f/									3.3	32.0
Ohio a/	642.0	*	* 33.3	*	* 19.3	.5	49.8				7.7	.5	1.0			*	32.8	786.9
Oklahoma	73.9	$ 1.6		* 1.7	* 2.1		*		4.2		1.7		.6				61.8	147.6
Oregon	97.8		1.0	3.9			*				.7						3.7	107.1
Pennsylvania	953.0	*	* 1.0	82.0	32.7		46.0	95.4		5.3	4.1		1.2		13.9	*	6.5	1241.1
Rhode Island	55.3	*	2.0	1.0				6.1					1.5	*				65.9
South Carolina	149.2	.8		* .1	7.1	1.4	14.3	19.7	3.1	7.9	.7	.1	.7				11.5	216.6
South Dakota b/	14.8	*		.4	.5		*			*							3.2	18.9
Tennessee	224.5	*		2.1	3.2		*	10.5	4.7	*							1.1	246.1
Texas	642.1			*	*		*		24.0	*							313.4	979.5
Utah	105.4	*		*	* .3		*	3.4	.5	*	.9	* .9	2.0	* .2			15.2	128.8
Vermont	28.2			2.1	1.4			6.8			.6							39.1
Virginia a/	267.8			11.1	12.2	.3	12.5		2.2	.6		3.9	.8				98.6	410.0
Washington	230.1	*	*	23.5	* 5.7		21.7	21.0									54.6	356.6
West Virginia	145.2			.4	2.8		*			*	.1	1.0	.7				3.5	153.7
Wisconsin	153.0			22.3			13.4		1.3		2.2						134.9	327.1
Wyoming b/	19.9	*		*	*		*	2.0 f		*							.7	20.6
TOTAL	$14,090.2	$ 2.4	$ 133.8	$ 641.3	$ 271.3	$ 9.8	$ 462.9	$ 784.5	$ 121.6	$ 152.1	$ 66.3	$ 13.9	$ 77.3	$ 3.5	$ 14.1		$ 1,474.2	$18,319.2

NOTE: See Introduction for explanation of Table.
For certain States, as footnoted, funds for 1970-71 or 1972-73 are reported.
* Denotes that account is taken of this special purpose in the basic multi-program.

a/ 1972-73 school year reported.

b/ 1970-71 school year reported.

c/ Includes Supplemental Aid Program.

d/ Account is taken of this special purpose in a categorical aid; however, a specific amount for this purpose is not shown.

e/ Maryland has the only completely State-funded school housing program in the Nation.

f/ Loan fund not included in total.

g/ Arkansas maintains a revolving loan fund for capital outlays; however, a specific amount for this purpose is not shown.

h/ Includes both Basic and Equalization Aid funds.

Table 3. -- Classification of the States' Basic Multi-Program by Type of Plan Used for Its Calculation

Flat Grants		Strayer-Haig-Mort	Percentage Equalizing	Guaranteed Valuation or Tax Yield Plan	Complete State and Federal Support
Uniform	Variable				
Arizona[a]	Arkansas[b]	Alabama	Iowa[c]	New Jersey[d,e]	Hawaii
California[f,g]	Delaware	California[f,g]	Massachusetts	Utah[h]	
Connecticut	Nebraska[i]	Colorado	New York[d]	Wisconsin	
Oregon[j]	New Mexico	Florida	Pennsylvania		
	North Carolina	Georgia	Rhode Island		
	South Carolina	Idaho	Vermont		
		Illinois			
		Indiana			
		Kansas			
		Kentucky			
		Louisiana			
		Maine			
		Maryland			
		Minnesota[d]			
		Mississippi			
		Missouri			
		Montana[f]			
		Nebraska[i]			
		Nevada			
		New Hampshire			
		New Jersey[d,e]			
		North Dakota			
		Ohio[d]			
		Oregon[j]			
		South Dakota[f]			
		Tennessee			
		Texas			
		Washington			
		West Virginia			
		Wyoming[f]			
		Oklahoma			
		Virginia[d]			
		Alaska[k]			

NOTE: See Introduction for definitions of school support plans. For certain States, as footnoted, funds for 1970-71 or 1972-73 are reported.

[a] Arizona distributes $15,069,000 in equalization aid; however, the State's primary school funds are distributed on a flat-grant basis.

[b] While local wealth is not taken directly into account in the major portion of the primary school fund, the distribution does equalize to some degree.

[c] Iowa will operate under a Strayer-Haig-Mort Program in 1972-73.

[d] 1972-73 school year reported.

[e] While New Jersey operates under a guaranteed valuation program, the law guarantees the levels of funding under the previous Strayer-Haig-Mort type program, and so both classifications apply.

[f] 1970-71 school year reported.

[g] California operates under a combination flat-grant and Strayer-Haig-Mort Program.

[h] The Utah program could also be classified as a variation of the Strayer-Haig-Mort Program.

[i] Nebraska operates under a combination flat-grant and Strayer-Haig-Mort Program.

[j] Oregon operates under a combination flat-grant and Strayer-Haig-Mort Program.

[k] The Alaska plan combines the Strayer-Haig-Mort foundation approach with the percentage-equalizing method of determining the local share of the calculation.

ALABAMA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

ALABAMA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. W. H. Kimbrough, Director, Administration and Finance, Alabama State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 73.13 percent of the non-Federal revenue for elementary and secondary schools is provided by the State.
2. Almost all of the State revenue for distribution to public school districts is provided through taxes earmarked for the public schools. These taxes include a 3-mill State property tax and fifteen taxes in the Alabama Special Education Trust Fund.
3. Approximately 88.43 percent of the State funds apportioned for public schools is distributed through the State foundation program which provides funds for current operating expenses and capital outlay and debt service.
4. State teacher salary allowances are $8,066 for master's degree teachers; $6,954 for bachelor's degree teachers; $5,616 for teachers with three years of training; $4,736 for teachers with two years of training; and $4,076 for teachers with less than two years of training.
5. Six other State grants provide assistance: Public School Fund distributed on school census for general program support, 5.41 percent; free textbooks, .79 percent; and vocational education 4.0 percent; adult basic education, .05 percent; driver training program, 1.5 percent; and trainable exceptional education, .27 percent.

LOCAL SUPPORT

1. An estimated 65 percent of the city and county revenue for schools is obtained from property taxes. The remaining 35 percent is provided mainly from countywide sales and gasoline taxes.
2. The county tax contribution for support of the State foundation program is determined by an index of taxpaying ability which distributes the total local effort of 5 mills on the 1938 assessment of property among the counties.
3. Countywide property taxes for the State foundation program for schools are limited to 4 mills on the county assessed valuation.
4. Local district property taxes for schools to supplement the foundation program are limited to 3 mills on the assessed valuation of property in the district. Counties must levy at least a 3-mill tax for schools before the local tax can be levied.
5. Tax rate limits for schools apply to levies for both current operating expenses and school facilities.
6. Local bonded indebtedness for schools cannot exceed 80 percent of estimated annual proceeds of taxes in a given year. This limitation prevents the operation of the public school program from being jeopardized.

STATE SUPPORT, 1971-72

ALABAMA

Provisions for **the distribution of State funds for the public schools and for program participation**

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total	$258,595,634 (100.0%)		
MINIMUM PROGRAM FUND (current expense, capital outlay, and debt service, grades 1-12) (Art. 3, Title 52, 1940 Code. First established in 1935, superseding a small equalizing fund established in 1927.)	$228,662,583 (88.4%)		
Teacher salary allowance....	Scheduled amount per staffed teacher unit: Teacher preparation — Amount Less than 2 years — $4,076 2-3 years — $4,736 3-4 years — $5,616 BA or BS — $6,954 MA or MS — $8,066	State share: Calculated program cost minus: -Required local share -Receipts from the PUBLIC SCHOOL FUND Local share: Amount determined by applying an index of taxpaying ability for each county to the amount that a 5-mill levy would produce if applied to the 1938 assessment of property. P.L. 874 funds distributed by the Federal Government may be included locally in meeting the local revenue requirement, but such funds are not specifically deducted from the amount of State aid for which the district otherwise qualifies to receive.	Requirements for participation: Meet State standards for schools and operate schools for 9 months, except when prevented by conditions beyond local control. Provide required local financial effort and use instructional staff salary funds provided for such purpose. Extent of participation: All 126 school districts in the State. Distributed: Monthly beginning in October.
Teacher units:			
Elementary school........	One teacher unit per each 28 ADA.		
High school..............	One teacher unit per each 28 ADA.		
Special education........	One unit for each approved special educational class.		
Principal's supplement...	$72 per teacher unit.		
Pupil transportation........	Total $12,866,490 earmarked for transportation.		
Regular students.........	Average cost per pupil per day, including bus depreciation, based on 11 population density groups.		
Special education students.................	Actual cost of needed transportation up to the amount of approved contract.		
Tuition payments for pupils to attend nonprofit private schools.......	If a public school is not available, tuition and transportation costs equivalent to the public school per pupil amount paid may be provided. Except under this circumstance, private school pupils may not be included in determining State program amounts for this Fund.		
Capital outlay and debt service.....................	Total of $1,955,087 earmarked for this purpose. Allowance based on district's proportion of teacher units in the State.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
MINIMUM PROGRAM FUND--continued			
Other current expense..........	Balance of Minimum Program Fund after meeting the foregoing provisions is allocated on the basis of teacher units.		
PUBLIC SCHOOL FUND (Constitution and Art. 2, Title 52, 1940 Code. Established by Constitution.)	$ 14,000,000 (5.4%)		
Current expense, grades 1-12....	Proportion of school census children, 7-20 years of age, inclusive, for the State in the district.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: A school census of children 7-20 years of age must be taken every 4 years and reports filed with the State. Extent of participation: All 126 school districts. Distributed: Monthly.
VOCATIONAL EDUCATION FUND (Ch. 17, Sec. 384, Title 52, 1940 Code. Established in 1918.)	$ 12,667,478 (4.9%)		
Vocational education...........	Amount of approved application for salaries for approved vocational education teachers as per State salary schedule for vocational teachers, plus allowances for travel and other expenses.	State share: State pays a percentage of calculated program amount as funds allow. Percentage payment is based on the State money shown plus Federal funds for vocational education. Local share: All costs not covered by reimbursement.	Requirements for participation: Courses must be organized and approved in accordance with State standards. Extent of participation: 119 school districts. Distributed: Monthly as reimbursement for approved expenses.
TEXTBOOK FUND (Ch. 19, Title 52, 1940 Code, established in 1935; Act No. 221, Special session, 1965)	$ 2,030,521 (.8%)		
Textbook Fund..................	Proportion of State net registration for grades 1-12.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Only State-approved textbooks may be purchased. Extent of participation: All 126 school districts. Distributed: State purchases books as requisitions are received up to the allocated amount allowed each system.

STATE SUPPORT, 1971-72

ALABAMA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
TRAINABLE EXCEPTIONAL EDUCATION (Act No. 370, Regular Session, 1963) $ 707,834 (.3%)	State share: 100 percent of calculated amount if used. Local share: All expenditures over calculated amount.	Requirements of participation: Classes must be organized and approved in accordance with State standards. Extent of participation: 38 school districts. Distributed: Annually as reimbursement for approved expenses.
DRIVER TRAINING PROGRAM (Act. No. 244, Special Session, 1965) $ 400,000 (.2%)	State share: State pays a percentage of State teachers' salary allotment schedule as funds allow. Local share: All costs not covered by reimbursement.	Requirements for participation: Only State-certified instructors may be employed for courses meeting minimum standards. Extent of participation: 104 school districts. Distributed: Semi-annually.
ILLITERACY (Act No. 244, Special Session, 1965) $ 127,218 (.1%)	State share: 10 percent of calculated program. Local share: None.	Requirements for participation: Approval by State for project application submitted after survey made by local systems to determine need and availability of students. Extent of participation: 95 school districts. Distributed: Quarterly.

ALABAMA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Assessed valuations are established by the county board of equalization, which is composed of three members. Members elected from nine nominees are appointed by the State Commissioner of Revenue with the approval of the Governor. Assessment procedures are supervised by State officials and the State Commissioner of Revenue has authority to change and equalize local assessments. Property tax rates apply to local assessments and debt limits apply to proceeds of local taxes pledged for debt service.

Intermediate districts: Through the foundation program both the county and independent city school systems share in the countywide property tax which is generally limited to 4 mills. Also, several counties levy an additional property tax, sales tax, or gasoline tax for general or specific school purposes which is usually shared with any independent city school system within their borders.

Local districts: A 3-mill district school tax levy, the ordinary limit, is made for general school purposes in all counties. At least a 3-mill countywide tax must be levied before the district 3-mill tax can be voted. The district tax cannot extend beyond the date of expiration of the county 3-mill tax and neither tax can be levied for more than 30 years. An independent city school system is a separate tax district and the 3-mill district tax collected in the city goes directly to that school system.

Independent city school systems levy additional miscellaneous taxes which are not shared with the rest of the county. Districts under county boards of education are further restricted by a 12.5-mill statutory limitation on the total tax rate for all governmental purposes. In certain counties and cities, additional authority to levy taxes above statutory 12.5 mills is provided by the approval of the voters in the respective school districts. This additional levy must be approved for current operation expenses as well as debt service.

Provisions for School Indebtedness

Initiating bond issues: School bonds, or warrants as they are called in Alabama, can be issued only after approval of the State Superintendent of Education. School authorities initiate the issuance of bonds when school revenue is pledged for their retirement. County and city governing bodies may also initiate the issuance of bonds for school construction when their revenues, and not school revenues, are pledged for retirement.

School bonds can be used for providing new buildings and sites, alterations of old buildings, school buses, new equipment, and refunding.

Limitations on issuance of bonds: All school bonds are serial. The maximum number of years for which they may be issued is 30.

Limitations on debt: According to the limitations provided in the statutes, school bonds or warrants may not be issued in an amount which would require more than 80 percent of the proceeds of the tax pledged for retirement of the bonds to pay the annual installments, nor in an amount which would jeopardize the operation of the basic school program as determined by the State Superintendent of Education. No State agency has authority to fix the debt limit or approve a higher limit in special cases. A district may secure authority to increase the levy for debt retirement by constitutional amendment. When this approval has been obtained, the electors in the district must vote their approval on the additional levy for debt service.

Voting requirements: School bonds or warrants may be issued by action of the school board within the limits indicated without a vote of the people.

Approval and sale of bonds: All proposed school bonds or warrant issues must be approved by the State Superintendent of Education. These issues are sold on the yield basis at such interest rates as can be obtained through purchase offers. It is not necessary to first offer the warrants to a State agency. State assistance is not provided for the sale of the bonds. When funds derived from the sale of bonds are not required for immediate use, they may be temporarily invested.

Bond records, tax levies, and payments: Annual financial obligations of the school district for current operation, as well as debt service expenses, must come within the total levy authorized for school purposes. The county treasurer is responsible for maintaining the bond records and for the payment of the bonds.

Short-term indebtedness: School districts cannot issue interest-bearing warrants in anticipation of receiving current revenues. Short-term loans must be repaid from current revenue during the fiscal year in which they are made.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Budget forms are provided by the State Department of Education.

Local approval: School budget action must be completed by the local board of education by October 1. The law requires that the expenditures must be kept within the limits of the estimated funds available during the year, or actual funds available if the latter are greater than the estimate. No nonschool governmental agency has any responsibility for the budget. *Penalty*--expenditures exceeding funds available shall result in a penalty equal to 1/4 of the deficit. There is no provision for posting or publishing the budget prior to adoption. The fiscal year begins October 1 and ends September 30.

State review or approval: Budgets must be submitted to the State Superintendent of Education on or before October 1 for review and approval.

Provisions for School Audits

School audits in all county school systems are usually made annually by the State Examiner of Public Accounts. The cost of these audits is not charged to the local systems involved. Audits in city systems may either be made by the State Examiner of Public Accounts at no expense or by a private auditing firm at the city's expense.

ALASKA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

ALASKA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. John Hagmeier, Statistical Technician, Alaska State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 92 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.
2. All State grants for the public schools are provided by legislative appropriation. The tobacco tax appropriation is for the amount of collections.
3. Nearly 60 percent of the State money for public school grants is distributed to the district schools in accordance with the provisions of public school foundation program, and approximately 26 percent is for the operation of the State-operated schools.
4. The remaining 14 percent of the State moneys for public school support is distributed through separate funds for transportation, capital outlay and major repairs (tobacco tax fund), vocational education, tuition, correspondence courses, construction and debt service.
5. The State began support of kindergarten programs in the district schools in the 1966-67 school year.
6. The State does not support non-public school functions or programs.

LOCAL SUPPORT

1. Approximately two-thirds of the locally derived school revenue is obtained from property taxes. The remaining third is from business license refunds, raw fish tax refunds, miscellaneous rentals and sales taxes.
2. Payment of State aid to a local school district is contingent upon matching by the district in the amount of the required local effort for that district on the ratio of required local effort.
3. There are no local taxes levied for support of State-operated schools.
4. City and borough school districts may levy tax rates of 20 to 30 mills on the locally assessed valuation of property, depending on the kind of district. These limits include amounts for both operating and building expenditures.

STATE SUPPORT, 1971-72 ALASKA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total $112,488,600 (100.0%)		
PUBLIC SCHOOL FOUNDATION PROGRAM (Chapter 17, Art. 1, Compiled School Laws of Alaska) $ 67,130,000 (59.7%)		
The amount of State aid per district is calculated by multiplying the basic need of the district by the equalized percentage.	State share: Calculated State matching percentage multiplied by the basic guaranteed program. Local share: Calculated district matching percentage multiplied by the basic guaranteed program.	Requirements for participation: Only organized city or borough districts participate. Extent of participation: 28 school districts. Distributed: Monthly.
Basic need...................... The basic need of each district is determined by multiplying the instructional unit allotment of the district by the number of instructional units in the district. Instructional unit allotments range to 110 percent of the basic allotment according to the geographical region in which the district falls.		
Base instructional unit......... The base instructional unit is $19,250.		
Instructional units............. (Table of Allowable Instructional Units)		

Elementary and Secondary Schools with ADM Under 1,000

ADM	No. Instructional Units
Under 10	1
10-20	2
21-32	3
33-46	4
47-62	5
63-80	6
81-999	6 plus 1 for each 18 pupils or fraction of 18

Elementary and Secondary Schools with ADM of 1,000 or over

ADM	No. Instructional Units
Under 10	1
10-20	2
21-32	3
33-46	4
47-62	5
63-80	6
81-99	7
100-3,005	7 plus 1 for each 19 pupils or fraction
3,006 and over	160 plus 1 for each 23 pupils or fraction of 23

STATE SUPPORT, 1971-72

ALASKA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**

(Table of Allowable Instructional Unit)--continued

Vocational Educational Schedule

ADM (Full Time Equivalent)	No. Instructional Units
5-10	1
11-20	2
21-50	3
51-90	4
91-140	5
141-190	6
191-240	7
241 and over	7 plus 1 for each 50 pupils or fraction of 50

Special Education Schedule

ADM	No. Instructional Units
5-8	1
9-15	2
16-23	3
24-32	4
33 and over	4 plus 1 for each 9 pupils or fraction of 9

Salary schedule................. (Minimum Teachers' Salary Scale by Areas)*

College Training (Years)	Base Salary	Increase Per Year
3**	$ 8,000	$200 (Up to 4 Years)
BA	$ 9,500	Base salary x .04 for each year up to 7 years
MA	$10,900	Base salary x .04 for each year up to 11 years

*Districts in prescribed geographical regions are required to supplement this schedule in amounts up to 10 percent.

**This schedule applies only to teachers employed in the State before July 1, 1970.

Equalized percentage formula.... Percent of Aid To Be Provided by the State $= 1 - (1-K)\frac{Vi}{Vs}$

K = level of average State support of basic need (90 percent)

Vi = valuation per pupil in ADM in the district (full and true value of taxable real and personal property with the district divided by the ADM of the district).

Vs = average of the valuation per pupil in ADM for all the districts of the State.

STATE SUPPORT, 1971-72 ALASKA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
PUBLIC SCHOOL FOUNDATION PROGRAM--continued			
Public school services for pupils enrolled in nonprofit private schools.................	Pupils enrolled in nonprofit private schools may not be concurrently enrolled in a public school (so-called shared-time or dual enrollment) and so are not counted in determining the amount of aid for this distribution.		
PUBLIC SCHOOL FUND--State-Operated Schools. (Current expense, grades K-12) (Sec. 14.10.150, Alaska Statutes)	$ 38,894,100 (25.7%)		
State-operated schools..........	State operates and pays all expenses of schools in this classification. Some of these schools may offer a kindergarten program as well as one for grades 1-12.	State share: 100 percent of calculated amount. Local share: None. PL 874, Title I is included as State funds (in lieu of taxes).	Requirements for participation: Only schools operated directly through the Office of the Commissioner of Education may participate. Extent of participation: All schools outside of organized cities or boroughs are operated by the State as one general statewide district.
TRANSPORTATION FUND (Sec. 14.10.070, Alaska Statutes)	$ 5,185,000 (4.6%)		
	The State contracts for pupil transportation services either directly or with a school district which may subcontract or own and operate its own vehicle.	State share: 100 percent of contract amount. Local share: Any costs for services not covered by the contract for State pupil transportation.	Requirements for participation: At least 8 children who are bona fide residents must live along a regularly maintained highway, a distance of 1.5 miles or more from the school they attend. Extent of participation: 20 school districts and the State unorganized territory. Distributed: Monthly.
TOBACCO TAX FUND (Chapter 50, Art. 1, Compiled School Laws, Alaska Statutes)	$ 1,935,000 (1.7%)		
School facilities.............	$3,000 per district basic allotment. Balance available distributed on the basis of district ADM in relation to total ADM for all qualified districts. Used only to rehabilitate, construct and repair school facilities, and for insurance costs on school buildings.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Only districts recognized as organized school districts during the entire 12 months preceding distribution may participate. Extent of participation: 28 school districts, and the statewide general district. Distributed: Annually.

STATE SUPPORT, 1971-72

ALASKA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
VOCATIONAL EDUCATION FUND (Sec. 14.35.010, Alaska Statutes) $ 653,900 (.6%)		
Amount expended for salaries and expenses for vocational education.	State share: 100 percent of approved amount. Reimbursement includes an amount from Federal sources as well as the State amount indicated. Local share: All not covered by reimbursement.	Requirements for participation: Program offered must be in compliance with the Alaska plan for vocational training. Extent of participation: 21 districts and State-operated schools. Distributed: On proof of expenses.
TUITION FUND (Sec. 14.07.30(10), Alaska Statutes) $ 150,000 (.1%)		
Tuition Fund.................... Amount of local cost of education per pupil in the receiving district.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: For nonresident students in attendance who are from other areas where needed school facilities are not provided. Extent of participation: 1 district. Distributed: At the end of the year.
CORRESPONDENCE STUDY COURSES FUND (Sec. 15.10.150, Alaska Statutes) $ 137,600 (.1%)		
Correspondence Study Courses Fund........................... Courses are provided for all eligible children who meet requirements. Includes courses for elementary pupils in unorganized areas who do not have access to a regular school facility and courses for high school pupils. Only pupils in areas outside of incorporated school districts participate.	State share: State pays full cost. Local share: None.	Requirements for participation: Students live too far from a public school. Assurance must be given that work will be properly supervised. Extent of participation: 693 students. Distributed: In course material through the State education agency.
REVENUE SHARING (Chapter 17, Art. 4, Compiled School Laws of Alaska) $ 1,700,000 (1.5%)		
Impacted aid.................... A district shall receive for each student whose parent or guardian works on or lives on State property an additional yearly allotment equal to the percentage of the State average cost of education per student times the number of qualifying students in ADM as follows: (1) 50 percent for a student whose parent or guardian lives and works on State property; (2) 25 percent for a student whose parent or guardian work State property; and (3) 25 percent for a student whose parent or guardian lives on State property.	State share: Calculated amount. Local share: None.	Requirements for participation: Only organized city or borough districts participate. Extent of participation: 19 districts. Distributed: 75 percent distributed on initial claim and balance on post audit.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
STATE AID FOR SCHOOL DEBT RETIREMENT (Chapter 93, SLA 1971)	$ 3,000,000 (2.7%)		
Debt retirement.................	State allocates to districts one-half of payments during fiscal year 2 years prior for principal and interest on school construction bonds or notes; and one-half of the payments that would have been made 2 fiscal years prior for principal and interest on 10 year school construction bonds and notes at 6 percent interest rather than paying those costs through taxes or other local sources.	State share: Calculated amount. Local share: None.	Requirements for participation: Only organized city or borough districts may participate. Distributed: Annually.
SPECIFIC SCHOOL CONSTRUCTION (Chapter 131, SLA 1971)	$ 3,703,000 (3.3%)		
School construction............	School construction aid for 5 specified projects.	State share: Specified amount. Local share: None.	Requirements for participation: As specified by Legislature. Extent of participation: 3 districts and State-operated schools.

ALASKA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Locally appointed assessors determine property assessments in the organized school districts. The borough assemblies in boroughs, and the city councils in cities, sit as boards of equalization. No other officials have the authority to change assessments. Assessment procedures are not supervised by State officials and no State agency has the authority to equalize assessments. However, the Local Affairs Agency, in consultation with the assessor for each district, shall determine the full value of the taxable real and personal property in each district for purposes of the Foundation Program.

The tax rate of borough and city school districts is limited to 30 mills. There are no local property taxes for State-operated schools which are in areas outside the incorporated districts.

Nonproperty tax sources of local revenue include business license refunds, raw fish tax refunds, and miscellaneous rentals and sales taxes.

Provisions for School Indebtedness

Initiating bond issues: The borough assemblies and city councils initiate bond issues for their school districts.

Limitations on issuance of bonds: Serial bonds are not required. There is no limit on the maximum number of years for which bonds may be issued. Bonds may be issued for construction and equipment of school facilities, including purchase of sites.

Limitations on debt: The bond limit for a borough or city school district is included in the total bond limit for the borough or city. No State agency has the authority to alter the debt limit or to approve a higher limit in special cases.

Voting requirement: Bonds may not be issued or debt created without a favorable vote of a majority of registered voters.

Approval and sale of bonds: No State approval is necessary for the issuance of school bonds. Competitive bids are not required. Bonds are not first offered to State agencies, and the State does not assist in the sale of bonds. Bond proceeds not immediately needed may be invested.

Bond records, tax levies, and payments: Tax levies for debt service are included in the total levy authorized for general school purposes. Local school districts are responsible for maintaining bond records and making payment on bonds.

Short-term indebtedness: School authorities have been obtaining occasional short-term loans from local banks in anticipation of current revenues. The laws are silent on conditions under which indebtedness may be created that cannot be retired during the current fiscal year.

BUDGETS AND AUDITS

Provisions for School Budgets

Local approval: Budgets must be acted on by the local boards, and approved by the borough assemblies and city councils in the borough and city school districts by July 1. While there is no legal provision for budget hearings, the State Department of Education strongly recommends that public hearings be held.

State review: Budgets are required to be submitted to the Commissioner of Education for review and statistical purposes.

Provisions for School Audits

School boards of borough and city school districts shall, each year, on or before the first day of November following the completion of the school year, have an audit made by a competent accountant. A certified copy of the audit shall be filed with the Commissioner of Education.

ARIZONA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

ARIZONA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. John M. George, Director, Business and Financial Services, Arizona State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. State funds for distribution to the public schools are primarily derived from legislative appropriation. The other State source, income from permanent school fund endowments and miscellaneous collections, accounts for 2.78 percent of the amount distributed.
2. 41.52 percent of the State program for public school support is centered in the State levy for Common and High School Fund and 44.39 percent in the Financial Assistance Fund.
3. The Equalization Fund accounts for 8.24 percent of State school support funds.
4. The balance of the State programs for school support is allocated through the following funds: Special Education, Trainable Programs, Homebound Students, Vocational Education, Assistance to Public Schools, Endowment Earnings, Miscellaneous Collections, National Forest, and Night School Aid to Bilingual Students.

LOCAL SUPPORT

1. The balance of the revenue from county sources other than property tax is from portions from Auto Lieu Tax, Aircraft Lieu Tax, Taylor Grazing Act, and the Salt River Power.
2. The nonproperty taxes specifically authorized to be levied for the support of the public schools are the Educational Excise Tax and the Cigarette Tax. The Cigarette Tax is for the purpose of raising funds for common and high school equalization.
3. Local boards of education may issue school bonds up to 4 percent of the locally assessed value of taxable property in the district. With approval of the county board of supervisors, an additional 6 percent limit is permitted but never to exceed 10 percent. Electoral approval is required to issue school bonds by local boards of education.
4. Each county is required to levy a property tax sufficient to raise an amount which when added to the $182.50 per pupil appropriated by the legislature through the State School Fund shall equal $200 per public school child in grades K-12, and levy a qualifying tax of 10 cents per $100 of assessed valuation of property to receive State school financial assistance monies.
5. The formula for computing the school property levy is based on the principle of subtracting all projected revenues from the total projected expenditures in the adopted budget which produces an amount to be levied by the school district.

STATE SUPPORT, 1971-72

ARIZONA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total $182,833,500 (100.0%)		
STATE LEVY FOR COMMON AND HIGH SCHOOL FUND (ARS 15-1211, as amended; Laws 1959, Ch. 90; Laws 1961, Ch. 12; Laws 1965, 3rd S.S., Ch. 1; Laws 1968, 3rd S.S., Ch. 19) $ 75,921,084 (41.5%)		
State School Fund apportioned to the several counties on the basis of ADA in common and high schools based on the first 6 months of the school year. (At least 75 percent of apportionment shall be used for instructional costs.)	State share: Legislature appropriates $182.50 per pupil in ADA. Local share: An amount is set aside each fiscal year from the county general fund which, when added to the amounts appropriated by the Legislature, shall equal $200 per pupil in ADA.* In addition to the foregoing the County School Fund consists of portions of the auto lieu tax, county lieu tax, county surplus, penalties, (such as delinquent license fines) Taylor Grazing fees, leased lands, dividends, sales, refunds, cancelled warrants, Federal lieu tax gratuities and bequests, and other. * (an amount equal to $17.50)	Requirements for participation: State school fund is apportioned to the counties computed according to ADA in common and high schools as shown by the records of the Superintendent of Public Instruction. Extent of participation: 14 counties consisting of 290 participating districts. Distributed: 1/12, July 15; 1/6, September 15; 1/4, November 15; 1/12, January 15; 1/6, March 15; Adjustments made 1/4, May 15.
ENDOWMENT EARNINGS AND MISCELLANEOUS COLLECTIONS (ARS 15-1212, as amended; Laws 1959, Ch. 90; Laws 1960, Ch. 127; Laws 1961, Ch. 12; Laws 1968, 3rd. S.S., Ch. 19; Laws 1971, Ch. 177) $ 5,075,272 (2.8%)		
Becomes a part of the State School Fund apportioned on a rate-per-pupil basis. Is in addition to appropriation. All monies derived from the permanent fund and receipts from other sources.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Same as above. Extent of participation: 290 participating districts. Distributed: Same as above fund.
FINANCIAL ASSISTANCE (ARS 15-1221-1222-1223-1224-1225, amended Laws 1968, 3rd. S.S., Ch. 19; Laws 1970, Ch. 165) $ 81,168,706 (44.4%)		
Common school districts that employed 3 or more teachers are eligible. Basic cost of education times ADA of district $375 (Elem) $500 (High School) less credits of following revenue: $200 times ADA; (State and County Entitlement). District qualifying tax rate yield (10 cents per $100 assessed valuation). A portion of the County School Fund can be used for the Special County School Reserve Fund, which is provided for transportation of children in rural areas, one- and two-room schools, and in unorganized districts.	State share: 100 percent of calculated amount. Local share: A district qualifying levy of 10 cents per $100 assessed valuation of property is required to receive State school financial assistance monies.	Requirements for participation: "School district needs" means the amount of financial aid each school district requires to afford each pupil in ADA a basic cost of education, $375 Elementary; $500 High School multiplied by the ADA of the district. Extent of participation: 243 districts participating. Distributed: Same as first fund named. NOTE: The number of school districts participating is based on Fiscal Year 1971.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
EQUALIZATION AID FOR COMMON AND HIGH SCHOOL DISTRICTS (ARS 15-1228, 15-1228.02, Laws 1968, 3rd S.S., Ch. 19; 15-1228.01, Laws 1970, Ch. 165) $ 15,069,003 (8.2%) Formula: Each school district's assessed valuation and each school district's ADA determined as a percentage of total statewide districts' assessed valuation and statewide ADA. First factor divided by second factor to determine district's index of State support, which is multiplied by district's ADA. This shall be the amount specified or a lesser amount sufficient to reduce the actual district tax levy for maintenance and operational purposes to an amount equal to a tax rate of 10 cents for each $100 assessed valuation.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Amount of equalization monies to be distributed to common and high school districts determined by formula. Extent of participation: 14 counties consisting of 290 districts participating. Distributed: Apportionments made: 1/12, July 15; 1/6, September 15; 1/4, November 15; 1/12, January 15; 1/6, March 15. Adjustment made, 1/4, May 15.
HOMEBOUND PROGRAM (ARS 15-1011, and ARS 15-1017 as amended; Laws 1956, Ch. 156; Laws 1966, Ch. 82; Laws 1968, 3rd S.S., Ch. 19; Laws 1971, Ch. 184) $ 234,787 (.1%) $526 per pupil in ADA per annum for each homebound student taught by the district. Appropriation made on actual per pupil in ADA per annum basis computed with reference to the estimated number to be taught during the current year.	State share: $526 per pupil in ADA per annum in addition to apportionments made pursuant to Sections 15-1211 and 15-1212 (State levy) and 15-1235 (county levy). Local share: All costs in excess of State share.	Requirements for participation: Homebound student means a common or high school student capable of being educated who is unable to attend regular classes due to illness, disease, accident or physical handicap and unable to attend regular classes for a period of not less than three months. Extent of participation: 55 districts participating. Distributed: July 15, September 15, November 15, January 15, March 15, and May 15.
SPECIAL EDUCATION PROGRAM (ARS 15-1016, Laws 1961, Ch. 40; Laws 1971, Ch. 184; ARS 15-1011, ARS 15-1017, Laws 1971, Ch. 184) $ 2,371,983 (1.3%) $380 Per ADA Per Annum: 1. Educable Mentally Handicapped 2. Emotionally Handicapped 3. Physically Handicapped $590 Per ADA Per Annum: 1. Multiple Handicapped Appropriation made on an actual per pupil in ADA per annum basis computed with reference to the estimated number to be taught during the current year.	State share: $380 or $590 per pupil in ADA per annum in addition to apportionments made pursuant to Sections 15-1211 and 15-1212 (State levy) and 15-1235 (county levy). Local share: County provides additional $10 per unit of average daily attendance.	Requirements for participation: Pupils must be educable and can benefit from an educational program but cannot pursue regular classwork due to emotional disturbances, mental retardation, or physical limitations as determined by competent medical examination and psychological evaluations. Extent of participation: 129 districts participating. Distributed: Same as Homebound Program.

STATE SUPPORT, 1971-72

ARIZONA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
TRAINABLE PROGRAM (ARS 15-1081, Laws 1962, Ch. 110; ARS 15-1083, Laws 1962, Ch. 110, amended 1968, 3rd S.S., Ch. 19) (Repealed, Laws 1970, Ch. 169, ARS 15-1011, Laws 1971, Ch. 184, ARS 15-1017, Laws 1971, Ch. 184) $ 602,464 (.3%) $690 per pupil in ADA per annum for each trainable retarded student. Appropriation made on an actual per pupil in ADA per annum basis computed with reference to the estimated number to be taught during the current year.	State share: $690 per pupil in ADA in addition to apportionments made pursuant to Sections 15-1211 and 15-1212 (State levy) and 15-1235 (county levy). Local share: County provides additional $10 per unit of average daily attendance.	Requirements for participation: Trainable retarded child means a child who attains an intelligence quotient of approximately one-third to one-half that of normal children on tests administered by qualified psychological examiners as approved by the State Superintendent of Public Instruction. Extent of participation: 67 districts participating. Distributed: July 15, September 15, November 15, January 15, March 15, and May 15.
ASSISTANCE TO PUBLIC SCHOOLS (ARS 15-1214, Laws 1961, Ch. 111, as amended Laws 1962, Ch. 19) $ 115,000 (.1%) Formula: Divide total expenditures of school district by total ADA of all pupils to arrive at cost per pupil. Deduct State and county aid ($200) to determine State assistance due per pupil. Multiply by ADA of pupils claimed.	State share: The assistance shall be the full per pupil in ADA cost of the district less the amount of State and county aid. Local share: None.	Requirements for participation: The State Superintendent of Public Instruction shall assist public school districts in educating children whose parents or legal guardians are employed by and domiciled at the following State institutions and stations: the industrial school, the State hospital, the State prison, Arizona State school for the deaf and blind, the Arizona children's colony or at ports of entry inspection stations. Claims made by the districts through county school superintendent to the State Superintendent of Public Instruction. Extent of participation: 14 districts participating.
NATIONAL [illegible] F (ARS Enabl[illegible] Act Vol. 1, Sec. 24) $ 83,201 (.1%) The amount necessary for such payments is appropriated and made available annually. The annual amount apportioned is based on a per pupil rate.	State share: At the end of each fiscal year the Secretary of the Treasury pays to the State a proportion of the gross proceeds of all the national forests within the State as the area of lands granted to the State for school purposes. Local share: None.	Requirements for participation: Apportioned to counties for distribution to school districts. Extent of participation: 290 districts participating.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
VOCATIONAL EDUCATION (ARS 15-1051-1055) $ 2,085,000 (1.1%)		
The State assents to the provisions and accepts the benefits of the act of congress entitled "An act to provide for the promotion of vocational education, ..." approved February 23, 1917, and will observe and comply with all the requirements of the act and amendments thereto. The State treasurer is designated custodian for vocational education for the purposes of the act. He shall receive and provide for the custody and disbursement of money paid to the State from the appropriation of the act.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Any school district may organize schools or classes in accordance with the provisions of the Federal Law accepted by ARS 15-1053 and the rules and regulations of the State Board for the control of vocational education. Extent of participation: 14 counties consisting of 290 districts participating. Distributed: November 15 each year based on per pupil rate.
NIGHT SCHOOL (1212-C-3 as amended Laws 1971, Ch. 177) $ 7,000 (0%)		
The amount apportioned is based on a per pupil completing each course satisfactorily.	State share: 100 percent of apportioned amount. Local share: None.	Requirements for participation: Night school means a school operated at hours other than those during which the regular school is in session. Distributed: May 15 each year based on courses satisfactorily completed.
BILINGUAL (15-1099 added Laws 1969, Ch. 95) $ 100,000 (.1%)		
The amount apportioned, with the State Board of Education's approval, is based on a per pupil per annum having difficulty with English.	State share: 100 percent of apportioned amount. Local share: None.	Requirements for participation: Each school district providing special education classes under provisions of this article receives $25 per unit of average daily attendance per annum, for each special education student taught by the district. Distributed: May 15 each year based on special education students meeting the requirements that are submitted to the Arizona Department of Education by the school district.

ARIZONA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations are established by the county assessors and State Tax Commission, both of which are elected by popular vote. However, there is a State Board of Equalization which has authority to change assessments or equalize them on a statewide basis. The State Board of Education does not determine assessment ratios. Tax rates and debt limit apply to local assessments.

Intermediate districts: Each county is required to levy a property tax on a countywide basis sufficient to raise an amount which, when added to the $182.50 per pupil appropriated by the legislature through the State School Fund, shall equal $200 per public school child in grades K-12. The number of pupils, determined according to the ADA for the preceding school year in grades K-12 and modified to reflect the growth in ADA over the second preceding school year, must be certified by the State Superintendent of Public Instruction. No electoral approval is required to authorize this tax levy nor is there a limit on the rate of the tax.

Portions of the income from the Auto Lieu Tax, Aircraft Lieu Tax, Taylor Grazing Act, and Salt River Power money are also provided for school purposes.

Local districts: There is no established limit for the local tax rate that may be levied. Local residents of the school district attend a meeting on the presentation of their school budget but do not vote on the actual tax levy required to support the budget nor the amount of the budget. Following the approval of the school budget by the school board in a special meeting called for that purpose, the budget is submitted to the county supervisors for review if it exceeds six percent limitation.

Provisions for School Indebtedness

Initiating bond issues: The local school district board of trustees may initiate a bond issue. Bonds may be issued for purchasing or leasing school lots, building schoolhouses, providing school furniture and apparatus, improving school grounds, and for liquidating any indebtedness already incurred for such purposes.

No school district shall issue bonds for the purposes specified in this article to amount in the aggregate, including the existing indebtedness, exceeding four percent of the value of the taxable property within the school district as ascertained by the last assessment of State and county taxes previous to issuing the bonds, and not exceeding six percent under any other statutory authority.

Limitations on issuance of bonds: The county board of supervisors by an order entered upon its minutes shall prescribe the form of the bonds and the interest coupons attached thereto, and fix the time when the whole or any part of the principal of the bonds is payable, which shall not be more than twenty years from the date thereof.

Limitations on debt: An Arizona statute permits a local board to bond up to 4 percent of its local assessed valuation and up to an additional 6 percent but not to exceed 10 percent of the assessed valuation with the approval of the county board of supervisors. No State agency has authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements: All school bond issues must be approved at a speci election called for that purpose by majority vote of those electors who are r property taxpayers in the district.

Approval and sale of bonds: The State does not enter into bond transactions other than to require that bonds be sold at 6 percent or less. Funds from the sale of bonds may be temporarily invested if the proceeds are not needed within 3 months.

Bond records, tax levies, and payments: Taxes needed to retire school bonds are levied in the necessary amounts by the board of supervisors. A record of the outstanding indebtedness is kept by the county board of supervisor and the county treasurer who makes payment on bonds.

Short-term indebtedness: There is no provision for current loans except when the district board does not have sufficient funds in the budget to meet the requirements for the year and may, with the approval of the county board of supervisors, issue and register warrants in the necessary amounts. When warrants are issued, provision for retiring them must be made in the budget for the ensuing year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Budget forms used by school districts are prescribed by the State. The fiscal year begins July 1 and ends June 30.

Local approval: The board of trustees of each district shall prepare a notice fixing a time not later than July 10 and designating a public place within each district at which a meeting will be held at which the board of trustees will present the proposed budget for consideration of the residents and taxpayers of the district.

The board of trustees of each district, prior to the meeting, shall publish a copy of the notice with a copy of the proposed budget one time in a newspaper of general circulation within the school district, but if no newspaper is published therein, publication shall be made in a newspaper published in the nearest district within the county. The cost of publication shall be a charge against the school district. The publisher's affidavit of publication shall be filed by the board of trustees with the Arizona Department of Educati within 30 days after publication.

At the time and place fixed in the notice, the members of the board of trustees shall hold the meeting and present the proposed budget to the residents and taxpayers attending the meeting. Upon request of any person, the board of trustees shall explain the budget and any resident or taxpayer may protest the inclusion of any item.

After the meeting, the board of trustees shall adopt the budget, making such deductions therefrom as it sees fit, but no additions thereto, and shall enter the budget as adopted in its minutes. Not later than July 12, the budget

Provisions for School Budgets--continued

as finally adopted shall be filed by the board of trustees in triplicate with the county school superintendent, who shall immediately transmit a copy to the board of supervisors of the county and a copy to the Arizona Department of Education.

Provisions for School Audits

A school district may employ commercial audit only for cafeteria and school activity.

However, the State examiner shall order and enforce a correct and uniform system of bookkeeping by county, school district, and precinct officers, and instruct them in the proper mode of keeping accounts of their offices.

Ascertain the character and financial standing of sureties on official bond of county, school district, and precinct officers and, under proper circumstances, reject sureties in accordance with knowledge so obtained and require new and satisfactory bonds to be filed.

Require a verified statement of the accounts of county treasurers and of custodians of county, school district, and precinct funds as often as deemed necessary.

Personally visit each county seat of the State without prior notice and at irregular intervals at least twice each year; investigate books, accounts, and vouchers of county, school district, and precinct officers at least once each year; ascertain in detail the various items of receipts and expenditures; inspect and verify the character and amount of all monies, securities, and other assets held by such officers and custodians on public account; and ascertain the character and amount of claims by, or allowances to, such officers.

ARKANSAS

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

ARKANSAS PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Frank W. Cannaday, Supervisor of Research and Statistics, Arkansas State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 52.0 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.

2. Except for less than one-half of 1 percent of the total State grant money distributed for the public schools, which is obtained from permanent endowment fund income, revenue for school support is obtained through legislative appropriation. There are no State taxes earmarked for public school support.

3. About 87 percent of the State money granted to the local school districts provides foundation program support which is based on the amount distributed under the School Finance Act of 1971 for all school districts.

4. State money for pupil transportation, which accounts for 8.2 percent of the State support program, pays about 79 percent of the pupil transportation costs.

5. Ten other distributions for State support account for the balance of the total amount allocated.

6. A State revolving loan fund provides loan assistance for the acquisition of school facilities, including the purchase of school buses.

LOCAL SUPPORT

1. Local district revenue for the support of public education is obtained from property taxes.

2. There is no provision for the levy of a county or local district nonproperty tax for the public schools.

3. Participation in the State Minimum Foundation Program requires that the local school district meet the provisions of Act 163 of 1965, "The Teacher's Minimum Salary Law," and all the provisions of Act 376 of 1971, "The School Finance Act," and each district shall file with the State Department of Education a salary schedule which recognizes training and experience.

4. There is no specified tax rate limit to the levy for public school support which may be approved by school district voters.

5. School district indebtedness is generally limited to 15 percent of the county assessed valuation of taxable real and personal property in the district. However, the State Board of Education has authority to increase this limit to 18 percent if a hardship case can be established for the district.

6. Tax rates for debt service are separate from tax rates for operating expenses and are not limited.

Provisions for the distribution of State funds for the public schools and for program participation

<table>
<tr><th colspan="2">Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td>Total. . . . .</td><td>$115,894,400 (100.0%)</td><td></td><td></td></tr>
<tr><td>MINIMUM FOUNDATION PROGRAM (Act 376 of 1971 and Act 259 of 1967)</td><td>$100,500,000 (86.7%)</td><td></td><td></td></tr>
<tr><td>The Teachers' Minimum Salary Law..................</td><td><table><tr><th>College Training</th><th>1970-71</th><th>1972-73</th></tr><tr><td>Bachelor's Degree</td><td>$4,400</td><td>$4,800</td></tr><tr><td>Master's Degree or Bachelor's Degree in Library Science</td><td>4,800</td><td>5,200</td></tr></table>(These amounts are to be increased by $400 for each succeeding biennium.)</td><td>State share: 100 percent of Minimum Foundation Program Aid provided.
Local share: Balance of cost necessary to meet the requirements of the Teachers' Minimum Salary Law (Act of 163 of 1965) and all provisions of Act 376 of 1971. No specific mill levy is required of a district to participate in this Act.</td><td>Requirements for participation: Must have expended for the previous year not more than the legal revenue for such year, maintained records and provided reports as required by the State Board of Education, and satisfied the minimum salary law.
Extent of participation: All of the State's 387 districts.
Distributed: In 11 equal allotments.</td></tr>
<tr><td>Current expenses, grades 1-12..</td><td>Each school district receives an amount equal to the previous year's Minimum Foundation Program Aid received, plus an equalization allocation based on any additional MFPA made available. After the funds required to distribute to school districts their previous year's MFP aid and to satisfy other provisions of the Act have been set aside, the MFP funds remaining for distribution to school districts are divided 75 percent to a Teacher's Salary Equalization Aid Fund and 25 percent to an Operating Equalization Aid Fund. The amount of equalization aid received by each district for teacher's salaries is the product of the adjusted number of teacher units of the district times the adjusted teacher salary equalization rate per teacher unit. The amount of equalization aid received by each school district for operation is the product of the adjusted number of teacher units of the district times the adjusted operation and maintenance equalization rate per teacher unit. These rates are determined by a table of equalization rates for teacher aid and a table of equalization rates for operation and maintenance aid and are constructed as follows:
(a) The equalization rates are based on the adjusted valuation per teacher unit for each district and are in inverse order thereto.</td><td></td><td></td></tr>
</table>

ARKANSAS

STATE SUPPORT, 1971-72

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
MINIMUM FOUNDATION PROGRAM--continued. (b) The tables of rates, when applied, represent 100 percent of the equalization revenue available for distribution after satisfying other provisions of the Act. (c) The table rates are established on a 2½ to 1 ratio of equalization of those districts from the highest to the lowest within the formula for the Salary Fund and a ratio of 3 to 1 for the Operating Fund. (d) Districts having an adjusted assessed valuation per teacher unit in excess of $200,000 cannot qualify for aid under the table of rates. The rate per teacher unit for each district having an assessed valuation per teacher unit of more than $200,000 is related to the rate per teacher unit of the district having the highest assessed valuation per unit on the rate table, and is in inverse proportion thereto. For each biennial period subsequent to the 1971-73 biennium, the maximum adjusted assessed valuation per teacher unit for districts qualifying for aid under the tables of equalization rates will be increased by $50,000.		
Increased attendance........... Any school district which has an increase in ADA in the 1970-71 school year of at least 150 students and 5 percent over the previous year's ADA receives in the 1971-72 school year, in addition to the aid it qualifies for under other provisions of the Act, a supplemental aid allotment for unusual growth. Such supplemental aid is the product of its increase in number of adjusted teacher units based on its 1970-71 increase in ADA times 80 percent of the district's equalization table rates per teacher unit.		

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
MINIMUM FOUNDATION PROGRAM--continued.			
Decreased attendance...........	If any school district loses a minimum of 100 pupils in ADA and if this loss represents 10 percent in ADA as compared to the previous year's ADA, then there is a proportionate reduction in the total MFPA funds on a per pupil in ADA basis; however, no district will receive less than 90 percent of the MFPA received the previous year.		
Small district guarantee.......	Any school district having an average daily attendance of less than 252 may adjust the ADA by computing the sum of the grades taught times 21 plus the number of tuition pupils in ADA the previous year. For the purpose of this computation, the number of grades taught may not exceed the number of teachers employed in the school year for which funds are distributed. Districts employing 20 or fewer teachers and maintaining 12 grades qualify for equalization MFPA on the number of teachers employed in the previous year, or the number of teacher units, whichever is the greater. If fewer than 12 grades are maintained, this MFPA will be adjusted downward proportionately.		
School district reorganization incentive......................	School districts that have consolidated or shall consolidate under the provisions of Act 125 of 1961 shall receive no less State financial aid under this Act per child in ADA in a given year than was received by that district in MFPA under the Act in the previous year. Such districts shall receive in each school year an amount for each teacher unit equal to the average increase per teacher unit in MFPA over the previous year's MFPA. If the district voted millage below the State average millage in the last regular school election, and/or if the district's ratio of assessed valuation for the previous calendar year was below 20 percent, the additional aid shall be adjusted in the proportion that the district's millage bears to the State's average millage and the district's ratio bears to 20 percent.		

ARKANSAS

STATE SUPPORT, 1971-72

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
EQUALIZING TRANSPORTATION FUND (Secs. 142-149, Act 169 of 1931)	$9,600,000 (8.3%)		
	$20 per average daily transported (ADT) pupil where the number of such pupils per square mile is as much as 9.5, to $42 where density is 1.0 or less. Depreciation allowances per unit are as follows: 66-pupil capacity unit $1,085; 54-pupil capacity unit $1,035; 48-pupil capacity unit $985; 42-pupil capacity unit $900; 36-pupil capacity unit $835; 24-pupil capacity unit $760; and less than 24-pupil capacity special approved unit $685.	State share: Calculated amount as funds allow, minus amount per ADT pupil, equal to excess of income per pupil in ADA above $300 per pupil. Minimum State amount equal to $2,335 per approved-transportation unit, plus allowances for approved special units. Maximum State amount equal to $3,135 per approved-transportation unit, plus allowances for approved special units. Minimum and maximum allowances reduced in proportion to actual ADT if 120 percent of ADT is less than rated bus capacity. Local share: All costs not covered by the State apportionment. Income per pupil in ADA measured as follows: 90 percent of millage levied on assessed valuation; 90 percent of severance tax receipts; 1/3 of forest reserve receipts, and receipts from Public School Fund.	Requirement for participation: Apply for aid on official blanks; have a per census pupil income of less than $300; meet required standards for drivers and buses. Extent of participation: 282 school districts. Distributed: In 11 equal payments with approximately 100 percent paid in the current school year. This represents about 80 percent of actual transportation cost.
PUBLIC SCHOOL FLAT GRANT FUND (Act 376 of 1971)	$1,470,000 (1.3%)		
Nonrestricted, grades 1-12.....	$3.00 per school-census child, 6-17 years of age, inclusive.	State share: 100 percent of calculated amount. Local share: None	Requirements for participation: Districts must enumerate and report all children 1-18 years of age, inclusive. Extent of participation: All of State's 387 school districts. Distributed: Quarterly in September, December, March, and June.
FREE TEXTBOOK FUND (Act of 103 of 1951)	$1,851,000 (1.6%)		
Grades 1-8 only...............	Amount per pupil based on the highest average number of pupils belonging (ADM) for any month during the previous school year. $15,000 to $35,000 of total State authorization is reserved for emergency budgets where schools show a material increase in ADM over that for previous school year.	State share: 100 percent of calculated allowance and approved emergency need. State buys for districts as requisitioned. Local share: None	Requirements for participation: Only operating districts may participate. Districts must submit reports and requisitions on textbooks. Extent of participation: 387 school districts. Distributed: Books are ordered as requisitions are received.

STATE SUPPORT, 1971-72 ARKANSAS

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
VOCATIONAL EDUCATION FUND (Sec. 190, Act 189 of 1931) $1,025,000 (0.9%) Including $3,358,860 of Federal funds, allocations are a maximum of 50 percent of allowable salaries, plus amounts approved for adult education and travel and conference expense for vocational education teachers. Area vocational-technical schools (post-secondary) use about $1,500,000 of the above Federal funds. Instruction is designed for job preparation of upgrading for persons 16 years of age or older who have completed or left high school.	State share: 100 percent of calculated allowance. Local share: All costs not covered by reimbursement.	Requirements for participation: Districts must have 350 or more resident children ages 6-17 years of age, inclusive, provide adequate facilities for program, and meet State program requirements for adequate local funds and pupil participation. Extent of participation: 322 school districts. Distributed: Quarterly on the basis of approved requisitions for reimbursement.
EDUCATIONAL SERVICES FOR EXCEPTIONAL CHILDREN AND OTHER PURPOSES (Act 39 of 1971) $485,000 (0.4%) Education for mentally and physically handicapped children (includes mentally retarded, physically handicapped, emotionally disturbed, speech defective, and children with some type of learning disability)	State share: Excess per pupil cost for children above regular per pupil cost up to a maximum of $400 per such pupil if funds allow. Local share: Standard local share as provided for other pupils, plus all extra costs not covered by State reimbursement.	Requirements for participation: Districts must meet State standards in relation to classes and pupils. Extent of participation: 76 school districts. Distributed: As reimbursement after the end of the school year.
COUNTY SCHOOL SUPERVISOR'S SALARY FUND (Act 376 of 1971) $492,900 (0.4%) Amount per county determined by average salary of classroom teachers for the second preceding year.	State share: 100 percent of calculated allowance. Local share: All costs not covered by the State apportionment.	Requirements for participation: None, but counties rather than school districts participate. The amount is determined by the average classroom teacher's salary for the second preceding year. Extent of participation: All 75 counties in the State. Distributed: In 12 equal payments.
GUIDANCE AND COUNSELING (Act 347 of 1965) $144,000 (0.1%) 37½ percent of minimum base salary of each approved counselor, plus 50 percent of expense of approved test materials (not to exceed 50 cents per pupil).	State share: [illegible] percent of calculated allowance Local share: The remaining expense of programs.	Requirements for participation: Provide adequate facilities and qualified counselor. Extent of participation: 200 districts. Distributed: 12 payments.

ARKANSAS

STATE SUPPORT, 1971-72

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
AUDIO-VISUAL EDUCATION FUND (Act 381 of 1947)	$95,000 (0.1%)		
	Cost of film purchase and mailing.	State share: 100 percent of cost of this State-operated film loan program. Local share: None, but districts pay cost of postage in returning borrowed films.	Requirements for participation: Comply with State regulations on ordering, using, and returning films. Extent of participation: All 387 school districts in the State. Distributed: Films for use as requested, when available.
ORPHANS AID FUND (Act 10 of 1965)	$60,000 (0.1%)		
	$110 per nonresident child (who lives in an institution)	State share: 100 percent of calculated amount. Local share: Remaining expense.	Requirements for participation: Provide school facilities for nonresident child who lives in institution. Extent of participation: 7 school districts. Distributed: Reimbursed annually.
ADULT EDUCATION (Act 347 of 1965)	$171,500 (0.1%)		
General adult education........	Reimbursed 100 percent of teacher's salary for adult classes.	State share: 100 percent of calculated amount. Local share: Furnish facilities and materials.	Requirements for participation: Organize and operate approvable classes. Extent of participation: 70 school districts. Distributed: Reimbursed semi-annually.
Basic adult education..........	Reimbursed 90 percent from Federal funds for total expense of program.	State share: None. Local share: 10 percent of total expense of program.	Requirements for participation: Organize and operate approvable classes. Extent of participation: 96 school districts. Distributed: Reimbursed quarterly.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
REVOLVING LOAN FUND (Act 384 of 1953, Act 38 of 1961, Act 408 of 1967) Working capital of the permanent school fund provides the State money for loans. However, when additional State money is needed, loan fund bonds and certificates may be pledged on money borrowed from the State Teacher Retirement System. As a result, $2,155,504 of the $5,480,809 in loans outstanding as of July 1, 1967, were obligations to the Teacher Retirement System.	STATE LOAN FUND State share: 100 percent of loan amount requested in the loan application. Districts cannot owe the fund more than $100,000--$50,000 for construction, etc., and $50,000 for buses. Local share: District must levy taxes sufficient to repay the loans and pay interest at 6 percent.	Requirements for participation: Submit and have approved a properly executed application to State Board of Education; advertise intention of borrowing in local papers; and levy necessary debt service millage for loans to extend longer than 6 years. District indebtedness including requested loan is not to exceed 15 percent of the assessed valuation. However, indebtedness to as high as 18 percent may be obtained by special approval under certain emergency conditions. Extent of participation: 367 school districts had loans outstanding as of July 1, 1967. Distributed: As loans, approved by the State Board of Education.

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property assessments are determined by elected county assessors. Local boards of equalization have power to change these assessments. The Tax Assessment Coordination Division conducts assessor schools; consults with and advises county assessors and equalization boards; publishes assessment manuals; and determines real property assessment ratios, but does not supervise assessment procedures. The Division sets ratios of assessed to true and market value not to exceed 20 percent and certifies them to the county. Counties which have assessment ratios below 90 percent of the established standard lose a proportionate share of their State aid. The State Tax Commission has authority to change these assessments or equalize them on a statewide basis.

Intermediate districts: No countywide tax levies are authorized for schools. However, a small amount of county money is provided from county funds to support the county supervisor's office.

Local districts: There is no legal limitation as to the number of mills that may be levied for school purposes in any local school district. In order to increase the tax rate for schools, it is necessary for the board of education to propose the increase, and the new rate must be favored by a majority at an annual school election. All school districts in Arkansas are fiscally independent.

Provisions for School Indebtedness

Initiating bond issues: Responsibility for initiation and issuance of bonds rests entirely with local school boards. School bonds may be issued for no purpose other than purchasing school sites, making repairs and alterations to existing buildings, constructing and equipping school buildings, and refunding outstanding bonds at a lower interest cost to the district.

Limitations on issuance of bonds: In Arkansas, there is no law requiring that school district bonds be serial bonds. However, with the exception of possibly two or three old issues, all school bonds are serial bonds, callable in inverse numerical order. There is no maximum number of years for which bonds may be issued. In practice, however, most bonds mature within 20 years.

Limitations on debt: A district cannot issue bonds in excess of 15 percent of the local assessed valuation of the district at the time the bonds are sold or 18 percent if a hardship case can be established. This is provided in the statutes. No State agency has any authority to approve school bonds other than the State Board of Education.

Voting requirements: Bonds cannot be issued without electoral approval nor in a greater amount than the millage voted by the people for retirement of the debt can service. Only qualified electors of the district may vote on a school bond issue. These issues are voted at the annual school election in March. A majority vote is required for the authorization of an issue.

Approval and sale of bonds: The State Board of Education is required by law to approve or reject any proposed school bond issue. The board may approve a bond issue prior to the school election, or it may approve the issue after the election, depending on the time application is submitted to them. Arkansas school bonds are sold at a fixed interest rate or rates and are subject to conversion by the purchaser to a lower rate or rates of interest, provided the district receives no less and pays no more than it would have received and paid had the bonds not been converted. Bonds are sold to the highest bidder on open competitive bid.

State agencies do not bid on school bonds. However, the teacher-retirement system may purchase school bonds. They do this by asking for tenders and bonds are purchased from holders on a yield basis. The State Department of Education offers any assistance that a district may need, but is not required by law to assist in the actual sale of the bonds. All school bonds must be signed by the Commissioner of Education. There is no specific authority to invest funds if immediate use is not required upon sale of bonds.

Bond records, tax levies, and payments: Tax levies, necessary for debt service are, technically, special tax levies. There is no constitutional limit on millage voted by Arkansas schools for school purposes and, if a district is voting 40 mills of which 10 mills is for debt service after retiring the bonds, they may still levy the 40 mills for maintenance and operation.

Bonds must be registered by the county treasurer and a record of all payments kept in his office. The school district also maintains a record of maturities, and a record of all school-bond issues and maturities is maintained in the State Department of Education. Each local school board is solely responsible for payment of maturities on its bond issues. However, in case of default, State funds may be withheld by the State Department of Education and applied on past due payment.

Current loans and short-term indebtedness: A school board has legal authority to borrow money from any source and for any purpose in anticipation of current revenues, provided such money is repaid within the fiscal year it is borrowed. Failure to repay the money would jeopardize the district's receipt of State aid. No current indebtedness may legally be created for maintenance and operation that cannot be retired during the current fiscal year. However, a district may legally incur short-term indebtedness through a loan from the Revolving Loan for construction, equipment, school buses, surplus property, and insurance premiums, to be repaid from operating funds over a period of not to exceed 6 years. Before such a loan may be made, it must be approved by the State Board of Education.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Each school district in Arkansas prepares its school district budget for the current year on forms prescribed by the State Board of Education. These budget forms list the actual receipts and expenditures for the previous year and estimated receipts and expenditures for the current fiscal year. The fiscal year begins July 1 and ends June 30.

Budget forms also show the minimum salaries to be paid individual classroom teachers and the total minimum amount that is required to be spent for classroom teachers' salaries in the current year. The current expenditure is also included.

Provisions for School Budgets--continued

Local approval: The proposed budget and the proposed tax rate is prepared by the local board of directors and is publicized 60 days in advance of the school election during the last week in January. Provisions in budgets must be approved by the county supervisors.

State review or approval: The local school budget for each district is submitted to the State Department of Education for approval not later than October 1 of the current year. The budget is approved by the State agency and returned to the district not later than November 1 of the current year. The State Department of Education checks to see that all legal requirements are satisfied, the teachers' minimum salary law is satisfied, debt obligations are met, and district expenditures will not exceed the income for the current year.

Provisions for School Audits

An annual audit is required for all school districts in Arkansas. The audit can be made by the School Audit Division, which is a part of the State Administrative Department. A district may have an audit made by a certified public accountant working for a private auditing firm. If the audit is not made by the School Audit Division, the local district must bear the entire cost of the audit. The School Audit Division does not exact a charge from the local districts for the cost of auditing.

CALIFORNIA

PUBLIC SCHOOL FINANCE PROGRAM, 1970-71

CALIFORNIA PUBLIC SCHOOL FINANCE PROGRAM, 1970-71 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Gary R. Martin, Assistant Chief, Bureau of School Apportionments and Reports, California State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 38 percent of the non-Federal revenue, including only State, county, and local revenue receipts for local school systems, is provided by the State.
2. Only two-tenths of 1 percent of the State funds distributed for public education is derived from income earned from interest and land use royalties; the balance is provided by legislative appropriation.
3. About 77 percent of the State funds for public schools is allotted for Basic and Equalization support programs.
4. In general, each child in average daily attendance (ADA), grades K-8 and 9-12, is offered a foundation support level of $355 and $488, respectively, with supplemental aid provisions providing for program levels of $480 for elementary grades and $460 for high school grades.
5. A school construction loan fund provides for the State's bonding power to be used to assist school districts which are in debt in excess of 95 percent of bonding capacity.

LOCAL SUPPORT

1. Ninety-five percent of county and local revenue for public elementary and secondary schools and for junior colleges is derived from property taxes. The remaining 5 percent is from miscellaneous sources such as rentals and royalties. No nonproperty taxes are employed.
2. Counties must raise sufficient revenue to supplement Basic Aid provided by the State, to pay tuition and transportation expenses for resident pupils attending school in an adjoining State.
3. Under the regular foundation program, local participation in Equalization Aid required the levy of a tax rate of 10 mills for grades K-8, and 8 mills for grades 9-12. The State also helps support higher program levels when local districts levy higher tax rates.
4. Local districts must pay all regular school transportation costs up to the amount produced by a .2-, .3-, or .4-mill tax and additional amounts based on cost and financial ability.
5. The maximum local levy for school purposes, without vote of the people, is 8 mills, 9 mills, and 7.5 mills for grades 1-8, K-8, and 9-12, respectively. There is no limit on rates which may be voted by the electorate.
6. Local school district bonds may be issued up to 5 percent per level of the district's assessed valuations with voter approval.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total	*(1970-71) $1,418,650,579 (100.0%)		
Est.	(1971-72) $1,501,551,257 (100.0%)		
BASIC AID (State Constitution, Art. IX; Education Code Secs. 17751, 17801 and 17851)	(1970-71) $ 584,122,440 (41.2%)		
General use, grades K-12........	$125 per unit of average daily attendance in prior fiscal year, but not less than $2,400 for each district.	State share: 100 percent of calculated amount. Amounts for districts are: Elementary districts...$406,889,600 High school districts.. 169,521,250 County schools......... 7,711,590 Local share: None.	Requirements for participation: The only requirement is to have a reported attendance for the current year, and except for new districts, an average daily attendance for the prior fiscal year. No attendance may be counted for classes whose total cost is paid by private or Federal funds, or classes in community recreation, or classes in private school. Extent of participation: All school districts. Distributed: Monthly.
EQUALIZATION AID (Education Code Secs. 17601-17608, and 17901-17970)	(1970-71) $ 508,194,675 (35.8%)		
General use, grades K-12		State share: Calculated amount less: Amount from local computational rate. Amount from Basic Aid. Amounts for districts are: Elementary districts...... $309,087,958 High school districts..... 120,357,729 Local share: Amount from computational tax rate times the adjusted and modified assessed valuations. Valuations are adjusted to include 50 percent of miscellaneous funds which are considered as district ability. Miscellaneous funds include in-lieu-of tax revenues, royalties, and rents.	Requirements for participation: All school districts may participate, dependent upon a minimum qualifying tax rate (elementary, 10 mills; high school, 8 mills) and their adjusted and modified assessed valuations. Extent of participation: All school districts qualifying. Distributed: Monthly.
Elementary districts or schools under 101 determined as "necessary"...........................	$8,675 per unit of 25 ADA if one teacher per unit.		
Elementary districts up to 900..	$345 per ADA (being eligible for certain free count services.)		
Elementary districts over 900...	$355 per ADA.		
Elementary districts in excess of 101..........................	$30 per ADA, grades 1, 2, and 3		
More efficiently organized districts..........................	$20.00 increase in foundation program at elementary and high school levels for: (1) unified districts meeting the standards in Education Code, Secs. 17672 or 17673; (2) Districts voting "yes" in unsuccessful election; (3) component districts of newly formed unified district not yet effective for all purposes.		

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[*] 1970-71 total does not include School Building Loan Fund.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
EQUALIZATION AID--continued			
High school districts with schools under 301 ADA which are determined as "necessary".......	The lesser amount, determined by either the attendance or the teachers:		

A.D.A.	Certificated employees	Foundation program
0-20	Less than 3	$ 8,400
0-20	3	42,600
21-40	4	51,000
41-60	5	59,400
61-75	6	67,800
76-90	7	76,200
91-105	8	84,600
106-120	9	93,000
121-135	10	101,400
136-150	11	109,800
151-180	12	118,200
181-220	13	126,600
221-260	14	135,000
261-300	15	143,400

High school districts under 301 ADA, other than above.......	$478 per ADA (being eligible for certain free count services).		
High school districts 301 or more............................	$488 per ADA.		
Additional equalization aid for costs due to inflation--Grades K-12............................	Provides approximately $19.50 per equalization ADA ($78,748,988) which is included in overall equalization aid total.		
EDUCATION OF EXCEPTIONAL CHILDREN (Education Code Secs. 18051-18307)	(1970-71) $154,009,596 (10.9%)		
	Calculated on a current basis with allotment based on a classroom unit.	State share: Allowable percent of excess expense. Local share: Amount equivalent to regular local per pupil expense, plus expense exceeding State allowance.	Requirements for participation: All districts may participate. Distributed: Monthly from July through June.

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**

EDUCATION OF EXCEPTIONAL CHILDREN--continued

Physically Handicapped

Special day class..............	\$17,260* per class less \$355 (Elem.) or \$488 (High School) per ADA.
In regular day classes.........	\$1,018 per ADA
Remedial physical education....	755 per ADA
Other remedial instruction.....	2,000 per ADA
Individual instruction.........	1,300 per ADA
Additional blind allowance.....	910 per ADA

Following are the prescribed maximums of average daily attendance for the various types of physically handicapped classes:

	PRESCRIBED CLASS MAXIMUM	
	Preschool & lower elem. (ages 3-8)	Upper Elem. & secondary (ages 9-12)
Deaf	6	8
Severely hard of hearing	8	10
Both deaf and severely hard of hearing	6	8
Blind	8	10
Partially seeing	10	12
Both blind and partially seeing	8	10
Orthopedic or other health impaired	12	16
Aphasic (includes pupils with a speech handicap attending special speech classes full time)	6	8
Pregnant girls (a maximum of 20 per class)	-	20
Multihandicapped--deaf and blind	3	5
Multihandicapped--other	6	8

Educable Mentally Retarded

Special day class..............	\$13,890 per class less \$355 (Elem.) or \$488 (High School) per ADA.

Prescribed maximum class size is 15 pupils when chronological age spread is over four years and 18 pupils when the chronological spread is four years or less.

Trainable Mentally Retarded

Special day class..............	\$15,260 per class less \$355 (Elem.) or \$488 (High School) per ADA.

Prescribed maximum class size is 12 pupils.

Educationally Handicapped

Special day class..............	\$16,260 per class.
Learning disability group......	1,880 per ADA.
Home and hospital instruction..	1,300 per ADA.
Special consultation...........	10 per ADA.

The prescribed maximum class size is 12 pupils.

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
EDUCATION OF EXCEPTIONAL CHILDREN--continued Mentally Gifted................ Sixty dollars will be allowed for each pupil participating in the program during the year, plus an additional $40 for each pupil identified as a mentally gifted minor. Special Transportation for Physically Handicapped and Trainable Mentally Retarded (Education Code Sections 18060 and 18062).. $389 per ADA. In addition to this allowance, for each school district and county superintendent of schools furnishing transportation for such minors under circumstances requiring the operation of vehicles exclusively for such purposes, 75 percent of any expense in excess of $389 will be allowed at the time of the Second Principal Apportionment, up to a maximum of $73 per unit of ADA of such pupils.		
SUPPLEMENTAL AID (General use, grades K-12) (Education Code Secs. 17920-17926) (1970-71) $ 39,107,963 (2.8%) Elementary districts............ (Those having less than $12,500 per ADA in assessed valuation.) Formula for the elementary districts: $\text{Supplemental Support} = \left[\begin{matrix}\text{. Elem.}\\ \text{ADA}\\ \text{excl. summer s.}\end{matrix}\right]\left[\$125 - \left(\frac{\text{A.V.}}{\text{F.P.A.D.A.}} \times .01\right)\right]$ High school districts........... (Those having less than $24,000 per ADA in assessed valuation.) Formula for high school districts: $\text{Supplemental Support} = \left[\begin{matrix}\text{H.S.}\\ \text{A.D.A.}\\ \text{excl. summer s.}\end{matrix}\right]\left[\$72 - \left(\frac{\text{A.V.}}{\text{F.P.A.D.A.}} \times .003\right)\right]$	State share: Calculated amount minus local. Elementary districts $37,307,667 High School districts 1,800,296 Local share: One-hundredth of the assessed valuation per foundation program ADA times the district tax rate to specified limit in excess of the computational tax rate.	Requirements for participation: Less than $12,500 per ADA in assessed valuation at elementary and less than $24,000 per ADA in assessed valuation at high school level. Such low-wealth districts may participate only if (1) The district is entitled to the $20 increase in the foundation program granted for more efficiently organized districts, or (2) The district levies a general fund tax rate sufficiently in excess of $1.60 (elementary) or $1.00 (high school) to raise an amount equivalent to the product of $20 multiplied by the total units of ADA in the district. Distributed: Monthly.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
COUNTY SCHOOL EDUCATIONAL SERVICES (Education Code Secs. 18351-18364)	(1970-71) $ 19,298,905 (1.4%)		
Restricted use for purposes specified.............	Allowances for appropriate services to districts for supervision of instruction health, pupil personnel, curriculum, etc.	Local share: Business services to schools are financed from county general property taxes.	Requirements for participation: Limited to county superintendents of schools, and based upon submission of budgets and line-item approval by the State Superintendent. Distributed: Monthly.
SPECIAL ELEMENTARY SCHOOL READING INSTRUCTION PROGRAM (Education Code)	(1970-71) $ 18,000,000 (1.3%)		
Grades 1-8......................	Provide for reading specialist.	Local share: None.	Requirements for participation: Districts must be eligible per Equalization Aid to qualify.
TRANSPORTATION, HOME TO SCHOOL (Education Code Secs. 18051-18062)	(1970-71) $ 26,113,514 (1.8%)		
General Use Grades K-12..................	Approved expense for operation, as submitted on claim forms, limited to median statewide expense per bus per day, plus 25 percent, using 16 classifications of buses reflecting hours of operation and capacity. Types of expense included are operating expense, repairs, insurance, cost of replacement of equipment, payments to public carriers, payments to parents in lieu of transportation.	Local share: Original cost of equipment, plus expense of operation less State allowance.	Requirements for participation: All districts may participate. Distributed: Monthly from September through June.
DRIVER TRAINING (Education Code Secs. 18251-18254)	(1970-71) $ 16,337,542 (1.2%)		
General Use Grades 9-12..................	Maximum allowance is $50 per pupil instructed.	Local share: Original cost of equipment, plus expense of operation less State allowance.	Requirements for participation: All high school districts may participate. Limited to "behind-the-wheel" driver training, not synonymous with classroom driver education. Distributed: Monthly from September through June.

STATE SUPPORT, 1970-71 CALIFORNIA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
FREE TEXTBOOKS (Education Code Secs. 9251, 9302-9502)	(1970-71) $ 18,304,478 (1.3%)		
Grades 1-8......................	All elementary districts are provided supplies of textbooks without charge. Selection is by the State Board of Education, upon recommendation by the State Curriculum Commission.	State share: 100 percent of cost to print or purchase, and distribute. Local share: Local districts may purchase additional textbooks or supplemental books.	
CHILDREN'S CENTERS (Education Code Secs. 16618, 16645.11, and 16645.28)	(1970-71) $ 10,758,846 (.8%)		
Operation of children's centers.	Allowance based upon hours of attendance and expense of operation.	Local share: All costs not covered by State allowance nor by parent fees.	Requirements for participation: Districts which operate care centers for pre-school and for in-school pupils after school hours. Distributed: Quarterly.
STATE SCHOOL LUNCH PROGRAM	(1970-71) $ 6,000,000 (.4%)		
PRE-SCHOOL COMPENSATORY EDUCATION PROGRAM	(1970-71) $ 4,000,000 (.3%)		
Pre-kindergarten, aged 3 to 5......................	Grants to assist schools in pre-school programs for children of families assisted by California Department of Social Welfare.	State share: Appropriation by the Legislature is to the Department of Social Welfare, and educational activities are contracted through Department of Education to the school districts.	
COMPENSATORY EDUCATION (Education Code Secs. 6450-6498)	(1970-71) $ 10,911.431 (.8%)		
Grades K-12......................	Related to Public Law 89-10, and to Elementary and Secondary Education Amendments. To districts' assistance in providing special programs for disadvantaged minors.		
ASSISTANCE TO PUBLIC LIBRARIES	(1970-71) $ 970,193 (.1%)		
INSTRUCTIONAL TELEVISION (Education Code Sec. 18270)	(1970-71) $ 629,236 (0%)		
General use, grades K-12........	Limited to 50 percent of the expense for open or closed circuit television programs, up to 50 cents per pupil per year participating.	State share: 100 percent of amount. Local share: 50 percent of the expense over the State allowance.	Requirements for participation: All districts may participate. Distributed: Monthly.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
VOCATIONAL EDUCATION	(1970-71) $ 555,220 (0%)		
Grades 9-12....................	State appropriation to supplement Federal grants under Public Law 88-210.	State share: State's share mixed with Federal funds, and distributed to districts participating in the several vocational programs. Local share: All costs over State and Federal allowances.	Distributed: Annually.
MATHEMATICS IMPROVEMENT PROGRAM	(1970-71) $ 922,204 (.1%)	State share: 100 percent of amount. Local share: None.	
STATE CONSTRUCTION PROJECT AREAS (Education Code Secs. 18301-18307)	(1970-71) $ 276,408 (0%)		
General use, grades K-12........	An amount per project-connected pupil equal to per pupil expenditure for other pupils.	State share: 100 percent of amount. Local share: None.	Requirements for participation: Districts in areas where State water resource projects have caused unusual influx of pupils. Distributed: Monthly from December to June.
GRANTS TO TEACHERS FOR EDUCATIONAL ADVANCEMENT (Education Code Secs. 6875-6878) (Related to P.L. 85-926 and P.L. 88-164)	(1970-71) $ 137,928 (0%)		
Grades K-12....................	Grants to public school teachers to assist in their special training, for teachers in physically handicapped or mentally retarded classes.	State share: Limited to $50 per unit of summer sessions programs. Local share: None. District makes grants to teachers and receives reimbursement.	
LOAN FUND (School Construction)			
STATE SCHOOL BUILDING AID PROGRAM (Education Code Secs. 19 01-19925)	$ 40,875,623		
Grades K-12..................... For site acquisition and building construction. Title to funds and property acquired remain in the State's name until loan is repaid.	The State's bonding capacity is used to provide funds to be loaned to school districts. Beginning in 1947, various amounts have been made available, totaling $1,890,000,000. Priority for allocating funds is based on acuteness of overcrowding, sudden growth, or proportion of total tax funds expended for school housing.	State share: The State's cost is that of administration and the interest on the overall State bond indebtedness. The amount in column one is the interest paid during 1970-71 on the State's debt for funds to finance this program. Local share: A school district must exceed 95 percent of its bonding capacity to be eligible.	Requirements for participation: All districts may participate.

CALIFORNIA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1970-71

Provisions for Raising School Revenue

Property assessments: Property valuations are established by county assessors who are selected by popular vote. Each year during the first week in July, the county board of supervisors for each county holds hearings and may adjust individual assessment values. Assessment procedures are not supervised by State officials, but the State Board of Equalization tests valuation practices and publishes the variance of each county from the average. The State Board of Equalization rather than county assessors establishes the property valuations of all public utilities throughout the State. In computing all State aid to public schools, the valuations by county assessors are modified by the variances determined by the State Board of Equalization.

Intermediate districts: Sufficient revenue must be raised at county levels to supplement Basic Aid provided by the State to pay the tuition and transportation costs of pupils residing in the county but attending school in an adjoining State. Unification of school districts is the combination of two or more levels of education under the jurisdiction of one local board of education. Elections for the purpose of unification of elementary and high school districts are required periodically. When such elections fail, the single-level districts are subject to area-wide taxation by the county, with a levy of 10 mills for elementary districts and 8 mills for high school districts, with the proceeds distributed to the districts concerned according to the foundation programs computed by the State. Even though the proposed unification fails, those districts which voted "yes" receive the unification bonus of $20 when the State computes the Foundation Program. The maximum local levy by a district for school purposes is correspondingly reduced when a district is included in the basis for an area-wide tax.

Local districts: The maximum levy for school purposes which may be made without a vote of the people is 8 mills for districts maintaining grades 1-8, 9 mills for those having a kindergarten in addition to grades 1-8, and 7.5 mills for high school districts. These maximums may be increased for special purposes outlined in the statutes, by a majority of the qualified electors in a special election. Furthermore, the legal or voted maximum may be increased without a vote by one or more of over thirty "override" tax rates for special purposes. The total tax rate is applied to the actual assessed valuations of all real and personal property within the district. Very few districts operate on tax rates of less than the "legal" maximums.

Provisions for School Indebtedness

Initiating bond issues: The governing board of any school district may, when in its judgment it is advisable, and shall, upon a petition of the majority of the qualified electors residing in the school district, order the county superintendent of schools to call an election and submit to the electors of the district the question whether the bonds of the district shall be issued and sold for the purpose of raising money for the following purposes: (a) the purchasing of school lots; (b) the building or purchasing of school buildings; (c) the making of alterations or additions to the school building or buildings other than such as may be necessary for current maintenance, operation, or repairs; (d) the repairing, restoring, or rebuilding of any school building damaged, injured, or destroyed by fire or other public calamity; (e) the supplying of school buildings and grounds with furniture, equipment, or necessary apparatus of a permanent nature; (f) the permanent improvement of the school grounds; (g) the refunding of any outstanding valid indebtedness of the district, evidenced by bonds, or of State school building aid loans; (h) the carrying out of the projects or purposes related to sewage or drainage; (i) the purchase of school buses, the useful life of which is at least 20 years; and (j) the demolition or razing of any school building with the intent to replace it with another school building, whether in the same location or in any other location.

Any one or more of the purposes enumerated, except that of refunding any outstanding valid indebtedness of the district evidenced by bonds, may, by order of the governing board entered in its minutes, be united and voted upon as one single proposition.

Limitations on issuance of bonds: Only serial bonds may be issued. The maximum time for which bonds may be issued is 25 years. Five percent is the maximum interest rate.

Limitations on debt: The statutes provide that school bonds may be issued up to 5 percent of the property valuation of the districts, after modification by the variance between counties determined by the State Board of Equalization. This applies to elementary, high school, and junior college districts.

Voting requirements: All bonds must be approved by a two-thirds majority of those voting.

Approval and sale of bonds: Before selling the bonds, the board of supervisors must advertise for bids at least 2 weeks, and bonds must be awarded to the highest responsible bidder or bidders. State approval of bond issues is not required, and it is not necessary that bonds first be offered for purchase by a State agency.

Bond records, tax levies, and payments: Taxes for the service and retirement of bonds are over and above the limits prescribed for current expenditures. When bonds have been issued according to law, the county auditor must levy sufficient taxes to service the debt.

Short-term indebtedness: School boards are authorized to accept advances in anticipation of current revenues from any funds the county board of supervisors may have available or from the County School Services distribution. No interest is paid on these amounts, but they must be repaid as the tax monies are collected. School boards may issue interest-bearing warrants when district funds are insufficient for valid claims against the district, and such warrants bear interest at the rate of 5 percent. These provisions are rarely used.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Budget forms are prescribed by the State Superintendent of Public Instruction. The State and school fiscal year begins on July 1 and ends on June 30. All school districts have the same fiscal year.

CALIFORNIA

Provisions for School Budgets--continued

Local approval: On or before July 1, the governing board of each school district must file with the county superintendent of schools a tentative budget.

The county superintendent of schools examines the tentative budget and, after indicating thereon such changes as he deems desirable or necessary, returns it by July 15. He has no authority to change budgets. Publication of the budget and a public hearing are required.

The final date for approval by the local district is August 8 except for those with over 10,000 pupils, for which the date is August 10. The county superintendent of schools approves the adopted budget by August 15, and files one copy with the board of supervisors and one copy with the auditor of his county.

State review or approval: A copy of the budget is also filed with the State Superintendent of Public Instruction. The State has no authority to change the budget since it is filed in the State office for review and reference purposes only.

Provisions for School Audits

Not later than the first day of June of each fiscal year, each office of the county superintendent of schools and each district shall provide for an audit of the books and account of funds for which each is responsible. Audits are performed by a certified public accountant or a public accountant licensed by the State Board of Accountancy. Auditing procedures for examination of records were developed, and are revised periodically, by the State Department of Finance. A report of each audit is filed with the county clerk, county superintendent of schools, the State Department of Education, and the State Department of Finance.

COLORADO

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

COLORADO PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Paul G. Bethke, Consultant, School Finance, Colorado Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 31 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and county and local district revenue receipts, is provided by the State.

2. Of the State funds distributed for public education, about 3.1 percent is from the State School Land Fund, 1.5 percent is from the State portion of Federal mineral lease receipts, and 95.4 percent is provided by legislative appropriation.

3. About 90 percent of the State funds distributed for the public schools, grades K-12, is allotted from the State Public School Fund for the regular portion of the State foundation program.

4. The foundation program guarantees a school support level of $460 per pupil (ADA or 96 percent of ADM during a four-week period ending on the fourth Friday in October), from a combination of State and local sources. State pays the difference between local required qualifying levy plus specific ownership taxes and the $460 guarantee. In calendar year 1971 the average State foundation support per pupil is $267. The range is from $80 per pupil to $350 per pupil.

5. Two other portions of the State Public School Fund account for 1 percent of the State grant distributions for schools. Supported by these distributions are districts operating small attendance centers and emergency conditions.

LOCAL SUPPORT

1. About 96 percent of the county and local revenue for public elementary and secondary schools, including about $17 million, from specific ownership fees in lieu of taxes on motor vehicles, is obtained from property taxes. The other 4 percent is from rental, fees, tuition, interest and donations. No property taxes are employed.

2. To participate in the State Equalization Program each district must levy 17 mills or the millage required to raise $250 per pupil, whichever is the lesser. For districts that can raise $250 per pupil mill less than a 14-mill levy, the local support requirement rises to $280 per pupil. If this amount can be raised with a mill levy smaller than 11.5, the local requirement increases to $300 per pupil. Finally, if $300 can be raised with less than a 10-mill levy, the district must increase its qualifying amount to the maximum, $300 per pupil.

3. Specific ownership tax revenues and revenues received from the county portion of Federal forest and Federal mineral lease revenue are also treated as local contribution toward the $460 level of support.

4. Necessary tax rates for debt service are separate from those for current expenditure levies.

5. Local district general fund expenditure budgets may not be increased beyond the amount required to increase expenditures per pupil for current expenses six-percent per annum. Districts may exceed the six percent limitation only through referendum.

6. School districts which budget less than $620 per pupil for current expense are not subject to the six-percent limitation. The budgetary limitation is $657.20 until the district budgets more than $620 per pupil.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total $159,497,216 (100.0%)		
STATE PUBLIC SCHOOL FUND-Equalization Entitlement (Ch. 123-38-6 and 123-38-9, Colorado Revised Statutes, 1969) $137,054,347 (85.9%)		
Current operation, K-12.......... $460 per average daily attendance entitlement (ADAE).	State share: Calculated amount minus local share; however, in no case shall the State share be less than $80 per ADAE. Local share: Every district must provide at least $250 of the $460 guarantee per ADAE or the yield from a 17-mill property tax levy, whichever is smaller. If the tax rate to raise $250 per ADAE is less than 14 mills, the district must increase its share to $280 per ADAE. If the tax rate required to raise $280 per ADAE is less than 11.5 mills, the district must increase its share to $300 per ADAE. If the tax rate required to raise $300 per ADAE is less than 10 mills, the district must increase its share to $380 per ADAE. In addition to the revenues necessary to meet the above requirements, the district must also apply toward the equalization level of support revenues received in the previous State fiscal year from specific ownership taxes, Federal mineral leases, Federal forest lands, Federal lands materials, and Federal flood control.	Requirements for participation: Must schedule 180-day school term; maintain 1-12, or K-12 program, and levy required millage. Extent of participation: 181 districts. Distributed: Paid in 12 approximately equal installments on the 25th of each month beginning in January of each year.
STATE PUBLIC SCHOOL FUND--Small attendance centers (Ch. 123-38-12 Colorado Revised Statutes, 1969) $ 1,260,000 (.8%)		
Current operation, K-12.......... $460 per "bonus pupil." A "bonus pupil" is calculated by multiplying the ADAE of each eligible small attendance center by a weighting factor (see tables on following page). If the resulting product is greater than the "maximum allowed," the number is reduced to the maximum. The difference between the ADAE of the district and this figure constitutes the district's "bonus pupils."	State share: 100 percent of guaranteed $460 per "bonus pupil." Local share: None.	Requirements for participation: Elementary centers with not more than 150 ADAE that are twenty or more miles away from a similar center in a district. Secondary school centers with not more than 175 ADAE that are twenty or more miles away from a similar center in a district. In unreorganized districts the distance requirement is twenty or more miles away from a similar center in any district. Extent of participation: 80 districts. Distributed: Paid in December of each year.

Provisions for the distribution of State funds for the public schools and for program participation

<table>
<tr><th colspan="3">Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td colspan="3">STATE PUBLIC SCHOOL FUND--continued
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<tr><th>ADA
Entitlement</th><th colspan="2">Grades 1-6 or 1-8</th></tr>
<tr><th></th><th>Factor</th><th>Maximum Allowed</th></tr>
<tr><td>0 to 20</td><td>allow 24</td><td>24</td></tr>
<tr><td>20.1 to 50</td><td>1.2</td><td>55</td></tr>
<tr><td>50.1 to 80</td><td>1.1</td><td>84</td></tr>
<tr><td>80.1 to 115</td><td>1.05</td><td>120</td></tr>
<tr><td>115.1 to 150</td><td>1.04</td><td>150</td></tr>
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<table>
<tr><th>ADA
Entitlement</th><th colspan="2">Grades 7-12 or 9-12</th></tr>
<tr><th></th><th>Factor</th><th>Maximum allowed</th></tr>
<tr><td>0 to 25</td><td>2.0</td><td>40</td></tr>
<tr><td>25.1 to 50</td><td>1.6</td><td>75</td></tr>
<tr><td>50.1 to 75</td><td>1.5</td><td>105</td></tr>
<tr><td>75.1 to 125</td><td>1.4</td><td>150</td></tr>
<tr><td>125.1 to 150</td><td>1.2</td><td>165</td></tr>
<tr><td>150.1 to 175</td><td>1.1</td><td>175</td></tr>
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</td><td></td><td></td></tr>
<tr><td>PUBLIC SCHOOL TRANSPORTATION FUND (Ch. 123-10-48 to 58, Colorado Revised Statutes, 1963)</td><td>$ 5,450,000</td><td>(3.4%)</td><td></td><td></td></tr>
<tr><td>Transportation....................</td><td colspan="2">$.15 per bus miles traveled.
$.03 per pupil day (transported).
$.15 per pupil day for board.</td><td>State share: Calculated amount, but not to exceed 75 percent of transportation expense, excluding capital outlay.
Local support: Balance of cost for pupil transportation expenses.</td><td>Requirements for participation: Certification of transportation of pupils in a bus in compliance with State bus regulations, to and from their residence and the public school in which they are enrolled.
Extent of participation: 181 school districts.
Distributed: In October.</td></tr>
<tr><td>PHYSICALLY AND MENTALLY HANDICAPPED CHILDREN FUND (Ch. 257 Laws 1965)</td><td>$ 6,750,000</td><td>(4.2%)</td><td></td><td></td></tr>
<tr><td>Salaries of program director and supervisors; special class teachers; speech correctionists; and teachers of homebound or hospitalized children............</td><td colspan="2">Amount of salaries.</td><td>State share: 80 percent of salaries of approved personnel. State pays the percentage shown or a pro-rata share of the calculated amount if funds are inadequate.</td><td>Requirements for participation: Maintain and operate a State-approved program for the education of physically handicapped children.</td></tr>
</table>

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
PHYSICALLY AND MENTALLY HANDICAPPED CHILDREN FUND--continued		
Psychologists, psychiatrists and social workers............... Cost of evaluation and consultation.	State share: 80 percent of cost for evaluation and consultation.	Requirements for participation: Maintain and operate a State-approved program for the education of physically handicapped children. Extent of participation: 150 school districts. Distributed: In August, in year following appropriation.
Special transportation........... Cost of special transportation.	State share: 50 percent of transportation cost.	
Foster home placement of child in another district........ Cost to provide foster home.	State share: 100 percent of foster home cost to $800 per year maximum. Local share: Portion of the cost not covered by reimbursement.	
STATE PUBLIC SCHOOL FUND-- Supplemental Assistance (Ch. 123-38-13, Colorado Revised Statutes, 1969) $ 300,000 (.2%)		
Contingency Reserve.............. State pays for the following to the extent that need can be documented and to the extent that appropriations permit: 1) Financial emergencies caused by act of God or financial emergencies arising from extraordinary problems in collection of taxes. 2) Any contingency that could not have been reasonably foreseen when budget was adopted. 3) Costs associated with small attendance centers that are necessary and are not otherwise covered in the Act. 4) Financial burden caused by instruction of court- and welfare-assigned pupils who formerly lived outside the district. 5) Any other extreme emergencies.	State share: Approved amount prorated according to funds available. Local share: All locally available revenue to meet the contingency.	Requirements for participation: Qualifies for supplemental assistance as approved. Extent of participation: 52 districts. Distributed: As approved.
NATIONAL DEFENSE EDUCATION ACT-- Title III-A Fund (Colorado State Plan for Title III-A, NDEA Projects) $ 160,000 (.1%)		
Improvement in science, mathematics, foreign languages, reading, English, history, civics, economics, arts, geography, the humanities, and industrial arts instruction...... Cost of equipment and materials for such improvement.	State share: State pays about 13 percent of approved amount. An additional 50 percent of the amount of the approved applications	Requirements for participation: Operating districts must obtain approval of project applications.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
NATIONAL DEFENSE EDUCATION ACT--continued			is paid from an estimated $531,000 of Federal funds. Local share: Approximately 37 percent of the cost of approved projects amounts.	Extent of participation: 140 school districts. Distributed: Any time during school year.
EDUCATIONAL ACHIEVEMENT ACT OF COLORADO (Ch. 123-39-4 and 123-31-6 Colorado Revised Statutes of 1969)	$ 975,000	(.6%)		
To provide special reading programs for students in grades 1-12 who are classed as disadvantaged readers. Amount of approved proposal.			State share: 100 percent of approved cost. Local share: None.	Requirements for participation: Acceptable project proposal according to published guidelines. Extent of participation: 71 districts. Distributed: Monthly.
EDUCATION OF MIGRATORY CHILDREN (Ch. 123-29-5 (1) (d), 123-29-5(2) and 123-29-7, Colorado Revised Statutes, 1969)	$ 170,000	(.1%)		
Project application			State share: State contributed $170,000 to the program and the Federal Government contributed $1,065,629 during fiscal year 1970-71. Local share: None.	Requirements for participation: Comply with Federal and State guidelines. Extent of participation: 42 districts.
COMPREHENSIVE EDUCATIONAL PLANNING (Ch. 123-41-5 and 123-41-10, Colorado Revised Statutes, 1969)	$ 90,000	(.1%)		
To assist school districts in comprehensive educational planning.............................. Amount of approved application.			State share: No more than 50 percent of the cost of the districts' planning program. Local share: The district must commit funds to the planning program equal to or greater than the amount requested from the State.	Requirements for participation: Letter of intent committing the district to the development of a comprehensive educational plan. Extent of participation: 23 districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
COLORADO VOCATIONAL ACT 1970 (Ch. 146-4 Colorado Revised Statutes of 1963)	$ 6,500,000 (4.1%)		
Foster and promote vocational education in secondary schools...	Excess vocational education program cost per full-time equivalent student (FTE) is calculated as follows: $\frac{\text{Total program cost}}{\text{FTE vocational students}}$ - equalization support of $460	State share: 80 percent of the first $1,000 of excess vocational education program cost per FTE; 50 percent of all such costs above $1,000. Local share: All remaining program costs.	Requirements for participation: Program must be State-approved. Extent of participation: 154 districts. Distributed: Quarterly.
APPROPRIATIONS BILL (SB 436)	$ 416,000 (.2%)		
Guidance and placement and world of work studies vocational clusters in rural schools........	Cost of approved program.	State share: 100 percent of costs for first year of program, 75 percent of costs for second year, and 60 percent of costs for third year. Local share: All remaining program costs.	Requirements for participation: Program must be State-approved. Extent of participation: 170 districts.
VOCATIONAL AMENDMENTS OF 1968 (Part F)	$ 115,869 (.1%)		
Consumer and homemaking education........................	Cost of approved program.	State share: Approximately 10 percent reimbursement of program costs. Local share: All remaining program costs not met with State or Federal funds.	Requirements for participation: Program standards must be State-approved. Extent of participation: 125 districts.
VOCATIONAL AMENDMENTS OF 1968 (Part G)	$ 16,000 (.0%)		
Vocational work study............	Cost of approved program.	State share: 25 percent of approved program costs (75 percent Federal). Local share: None.	Requirements for participation: Identify eligible students and provide appropriate employment. Extent of participation: 45 districts.
NATIONAL SCHOOL LUNCH PROGRAM (SB436)	$ 240,000 (.2%)		
Supplemental school lunch assistance.......................	Based on number of eligible meals served.	State share: Appropriated amount. Local share: None.	Requirements for participation: Operate program in accordance with Federal regulations. Extent of participation: 181 districts.

COLORADO

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Public utility valuations are established by the State Tax Commission. All other valuations are established by the county assessor, who is elected by popular vote. However, the State Tax Commission may recommend adjustments of county valuations to the State Equalization Board which has authority to approve or deny such adjustments. Valuations on property are reviewed by the Colorado Tax Commission, which has responsibility for developing detailed appraisal manuals and establishing uniform methods and procedures relating to forms and records.

The law provides for determining actual value of property. The valuation for assessment shall be 30 percent of actual value. If, on the first day of August 1964, the valuation for assessment differed from 30 percent of actual value, it shall be adjusted in the years 1965, 1966, and 1967 to the end that it is 30 percent of actual value.

Local districts: To participate in the State equalization program, a district must levy 17 mills or the millage required to raise $250 per pupil, whichever is the lesser. The limit to which a school board may increase the per pupil **ADAE** budgeted expenditures from one year to the next is 6 percent. Authority for an increase greater than 6 percent per pupil annually must be granted by the qualified electors of the district at a budget election.

Local taxes are levied on State-approved valuations for assessment. Local revenue for schools from sources other than property taxes include miscellaneous district income other than taxes. No nonproperty taxes are authorized to be levied specifically for local school support.

All local school boards have power to establish their budgets and levy taxes without any review by another local agency of government. Local boards may also establish a capital reserve fund for which they may approve a levy of not to exceed 2 mills. This fund, accumulated for capital outlay, may include receipts from taxes, donations, and tuition.

Provisions for School Indebtedness

Initiating bond issues: A proposal for bond issues is initiated by the school board. Bonds may be issued for erecting or furnishing school buildings, purchasing grounds, paying floating debts, and refunding bonded debt. Initiation of bond issues rests entirely upon the school board.

Limitations on issuance of bonds: All bonds must be issued by serial number. Maturity of bonds must commence not later than five years and extend no more than 25 years.

Limitations on debt: The total bonded indebtedness of a school district is limited by statute to 10 percent of the State reviewed and approved valuation for assessment, except in case of emergencies when the State Tax Commission may approve an amount up to an additional 5 percent. .

Voting requirements: Bonds are required to be approved by a majority of all qualified electors voting on the issue at a general or special school election. The name of the voter must appear upon the registration list of the voting precinct.

Approval and sale of bonds: Approval by a State agency is not necessary fo sale of bonds. The State does not assist with the sale of school bonds, and it is not necessary that they be offered to the State. However, school bonds may be purchased by the State of Colorado.

School bonds, which are general obligations of legal school districts and which have been authorized by vote of the district qualified electors, may be purchased on an investment of the Public School Fund. (Chapter 123-4-1 (5) Colorado Revised Statutes, 1963.)

Bond records, tax levies, and payments: Tax limits for current operation do not apply to levies for retiring bonds. For meeting bonded debt obligations, the county commissioners are responsible for setting a necessary levy in the event provisions have not been made by the school district. Payment of the bonds is made by the school board, or the board may designate the county treasury as the place of payment.

Short-term indebtedness: Warrants may be issued up to the full amount of the authorized budget, but not in excess of anticipated revenues. If money is not currently available, the warrants must be registered and retired in the order of their registration. Provision is made for other temporary loans, the money from which must be applied to payment of the registered warrants. Under publicized declaration of emergency, additional warrants may be issued to the extent of .2 percent of the valuation for assessment.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Budget forms are prescribed and provided by the State. Local school officials are responsible for the preparation of the budget. The fiscal year of each school district is the calendar year and the budget year shall be the same as the fiscal year.

The State fiscal year and the official school year begin on July 1 and end on June 30.

Local approval: Budgets must be adopted and appropriations for the budget made prior to the beginning of the fiscal year. A notice of the date for adoption of the budget, the place where it may be inspected, and the time set for considering adoption must be publicized. Any interested party may make recommendations for change, which may be applied at the discretion of the school board. No other local agency of government has authority for budget review or approval.

County commissioners must levy such rate, within the limits allowed by law, as will provide the amount certified by the school board.

State review or approval: If the proposed increase in the school tax levy exceeds 5 percent of the tax revenue for the preceding year, excluding revenue raised for retirement of bonds and interest thereon, a request for permission to increase the levy must be presented to the State Tax Commission which may grant th increase without limitation. Upon failure to act within 10 days by the Commission, or denial by the Commission, the issue may be brought to the electors paying taxes on real estate within the district, who may approve such increase by a majority vote.

There is no other requirement pertaining to State approval of the local budget. However, upon adoption, the governing body of the school district is required to place the adopted budget and appropriation resolution on file at the principal administrative office of the school district and file certified copies of the adopted budget and appropriation resolution with the Commissioner of Education within thirty days after the beginning of the fiscal year for which the budget was adopted.

Provisions for School Audits

Audits are required to be made annually by an independent individual or auditing agency licensed to practice in the State of Colorado. The cost of the audits must be paid by the district. Any school district where neither revenues nor expenditures for any fiscal year exceed $20,000, may, with the approval of the State auditor, be exempt; provided: that the members of the school board cause a report to be prepared in accordance with regulations issued by the State auditor; that such report be personally reviewed, approved, and signed by a majority of the members of the school board; and that the report be filed with the State auditor within six months after the close of the fiscal year.

CONNECTICUT

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

CONNECTICUT PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Joseph J. Cashman, Education Consultant, Bureau of Educational Management and Finance, Connecticut State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 32 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State. In addition the State provides area vocational technical education for grades 9-12.

2. State support funds are derived principally from legislative appropriation. The only other source is income from permanent school endowments, and this amounts to less than half of one percent.

3. Five programs account for 95 percent of the total State apportionment for public elementary and secondary education;

Per Pupil Aid Fund	48%
School Building Assistance	34%
Special Education	6%
Vocational Technical Schools	4%
Transportation Assistance	3%
	95%

   Twelve additional assistance programs account for the remaining 5 percent.

4. The per pupil aid apportionment is $205 per pupil plus an additional 10 percent to K-12 Regional School Districts.

   Each municipality receives a direct grant based on a percentage of the State grant, to the town, for Educationally Deprived Children, and it may be used for educational or other municipal purposes.

LOCAL SUPPORT

1. Approximately 97 percent of the local school revenue is obtained from general property taxes.

2. The remaining 3 percent of the local school revenue is from miscellaneous sources which are shared with other governmental agencies. There are no local nonproperty taxes specifically authorized to be used for public school support. All such monies go into a general town fund.

3. No specified tax rate is required for local district participation in the State Per Pupil Aid Fund.

4. There are no specified local tax limits for schools.

5. In 1971, the legislature enacted new debt limitations. The new limits for schools of cities and towns and regional school districts are based upon the annual tax receipts for the most recent fiscal year next preceding the date of issue multiplied by certain fixed factors (Sec. 7-374).

CONNECTICUT

PUBLIC SCHOOL FINANCE PROGRAM

Selected Program Facts

STATE SUPPORT--continued

5. Capital outlay grants may not exceed one-half the cost of new construction, extension or major alterations of existing facilities, construction of administration or service facilities, site acquisition and purchase of existing buildings for school use. Regional school districts qualify for increased grants based on a formula specified by law. The grant for the construction of vocational schools and new vocational agriculture centers is 100 percent of the cost. For the relocation of a vocational agriculture center and for the acquisition of an occupational training facility the grant is 100 percent of the cost, not to exceed $200,000. Grants are payable in one lump sum after the completion of the contract. Grants in the form of interest subsidies are made to the towns for the bonding required to meet the local share of the construction costs.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total	$273,873,741 (100.0%)*		
STATE AID TO TOWNS (Secs. 10-260 to 10-262)	$131,608,581 (48.0%)		
Current operation, K-12..........	Distributed to each town or regional school district based on the resident average daily membership of public school pupils in grades K-12. Amount of grant is $205 per pupil. Grant is increased by 10 percent to K-12 regional school districts.	State share: 100 percent of approved amount. Local share: No specific levy is required.	Requirements for participation: Towns must maintain schools according to law. Extent of participation: 169 districts. Distributed: One-third is paid to the towns in October, one-third in January, and one-third in April.
SCHOOL BUILDINGS (Secs. 10-282 to 10-288)	$ 93,890,493 (34.3%)		
School construction, site acquisition and interest subsidy......	Computation of Grant; Construction-local a. New Elementary, $900 per pupil station plus $200 per pupil station for special education facilities. b. New Secondary, $1,400 per pupil station. c. Extension or major alteration of facilities, 50 percent of cost as determined by State Board of Education. d. Administrative or service facility, 50 percent of cost as determined by State Board of Education.	State share: (a, b, c, d) may not exceed one-half of cost.	Requirements for participation: School building projects must comply with regulations of State Fire Marshall, the State Department of Health, and of the State Building Inspector with regards to the needs of handicapped persons.
	e. 7-12 Regional Secondary School Districts, 70 percent cost.	(e) May not exceed 70 percent of cost.	
	f. K-12 Regional School Districts, 80 percent cost.	(f) May not exceed 80 percent of cost.	
	g. Regional Vocational Agriculture Centers, 100 percent cost.	(g) 100 percent of calculated cost.	(g) Limit of two projects in any one year.
	h. Relocation of Vocational Agriculture Center, 100 percent of cost not to exceed $200,000.	(h) All cost up to $200,000.	(g, h) Annual limit for all projects of $400,000.
	i. Centers for Occupational Training, 100 percent cost not to exceed $200,000.		
	j. Purchase of existing building for school use, 50 percent of the cost.	(j) 50 percent of calculated cost.	

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* Includes $420,000 of funds listed as 1971-72 est. The balance of the total figure represents 1970-71 aid as does subsequent fund detail unless otherwise noted.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
SCHOOL BUILDINGS--continued		
k. Site acquisition for all school building projects, 50 percent of necessary costs.	(k) Site acquisition (lines a through f), 50 percent of cost.	
l. Special aid may be provided to a town or district unable, financially, to complete its building project.	(l) Approved amount.	(l) Conditions detailed Sec. 10-288.
m. Grants in the form of interest subsidy may be made to the towns or regional district, for the bonding required to meet the local share of construction costs.	(m) State grant cannot exceed 2 percent of amount bonded.	(m) Interest subsidy grant cannot exceed 2 percent of the amount bonded.
	Local share: (a, b, c, d) at least one-half of cost. (e) At least 30 percent of cost. (f) At least 20 percent of cost. (g) No local share. (h) All costs above $200,000. (j) 50 percent of necessary cost as determined by State Board of Education. (k) 50 percent of cost. (l) According to financial ability. (m) All interest costs not covered by interest subsidy grant.	Extent of participation: 169 districts. Contact: John D. Perry
ADULT EDUCATION (Secs. 10-52, 10-67 to 10-73a) $ 307,525 (.1%)		
Adult Education.................. Towns providing adult classes receive one-half of the director's salary, not to exceed $2,500 per year, and 12¢ per pupil clock hour of attendance.	State share: 100 percent of approved amount. Local share: No fees may be charged for English or Americanization classes or to those seeking completion of elementary or secondary education. For others a $2.00 registration fee and full cost of activities determined to be recreational, may be charged. Balance of costs to be paid by town.	Requirements for participation: Towns of 10,000 or more shall (smaller towns may) establish and maintain a program of adult classes. Extent of participation: 74 districts. Contact: Alan E. Hugg
ADULT BASIC EDUCATION (Sec. 10-73b) $ 399,984 (.1%)		
Adult Basic Education............ Programs provide for persons 16 years of age and over whose ability to communicate impairs their employment potential.	State share: 100 percent of approved amount. No fees may be charged. Local share: No specific local levy required.	Requirements for participation: Town program or service must be approved by the State Board of Education and available to any resident of the State. Extent of participation: 30 districts. Contact: James A. Dorsey

STATE SUPPORT, 1971-72

CONNECTICUT

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
BOOK PURCHASE (LIBRARY) (Sec. 10-267)	$ 203,483 (.1%)		
Library Aid......................	Town or district may apply for a grant not to exceed $200 for each school to purchase reference or supplementary books (not textbooks).	State share: 100 percent of approved amount. Local share: The towns must spend at least $200 per school for library books to be eligible for the full grant.	Requirements for participation: The district board may apply for a grant for each school and must certify the expenditure per school. Extent of participation: 169 districts. Distributed: Grant paid on or before January 1. Contacts: Rheta A. Clark John Crawford
DRIVER EDUCATION (Secs. 10-23, 10-24 10-24a to d and P.A. 456, 1971 Session)	$ 481,120 (.2%)		
	a. For each pupil completing classroom phase $10. b. For each pupil completing behind the wheel phase $10.	State share: Amount of grant. Local share: All additional costs.	Requirements for participation: Each town or district must provide classroom and behind the wheel instruction, in motor vehicle operation and highway safety at the local secondary school or under contract with a licensed drivers school. This instruction must be open to enrollment by any resident of the state between the ages of 16 and 18. Extent of participation: 115 districts. Distributed: Annually in June. Contact: David R. Jacobson
Driver Education Nonpublic School (P.A. 451, 1971 Session) Effective July 1, 1971		Shares the same as public school.	Grant paid to nonpublic school upon certification of eligibility by State Board of Education.
EDUCATIONALLY DEPRIVED CHILDREN (Sec. 10-266a to e)	$ 7,987,063 (3.0%)		
Educationally Deprived Children..	The entitlement of each town is determined by multiplying the total of appropriation by a ratio representing the number of families with incomes less than $4,000 per annum, in the town, to the total number of such families in the State and the ratio of the number of children in the community receiving aid to dependent children to the total number of such children in the State.	State share: 100 percent of the calculated amount. Local share: No specific requirement.	Requirements for participation: Any town with children whose educational achievement is restricted by economic, social, or environmental disadvantages. The funds must be used to provide special educational opportunities for these children enrolled in both public and private schools. Extent of participation: 134 districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
EDUCATIONALLY DEPRIVED CHILDREN--continued			Contact: Joseph DePaolo
Intercommunity Contracts (Sec. 10-266j)............................	Provides to the sending town an additional grant for each participating child equal to the per pupil ADM grant for that year.	State share: $205 per pupil (participating) Local share: No specific requirement.	Requirements for participation: Written contract between two or more districts. Program approved by State Board of Education.
	Transportation grant for each participating child.	State share: 50 percent of the cost not to exceed $80 per child. Local share: Balance of costs.	Out-of-town transportation only. Contact: Alexander J. Plante
10-266k.........................	Provides grants to municipalities for educational and other municipal purposes based on a percentage of the State grant to towns for Educationally Deprived Children.	State share: 100 percent of the approved amount. Local share: No specific requirement.	Extent of participation: 169 districts. Distributed: Payment is made to the Town Fiscal Authority, one-third in October, January, and April.
OCCUPATIONAL TRAINING (Sec. 10-266f and P.A. 841, 1971 Session) Effective July 1, 1972	$ 286,516 (.1%)		
Occupational Training...........	Grant determined in relation to the number of high school graduates who do not attend a post-secondary institution, to be used for personnel and equipment to establish, operate, or expand occupational training programs.	State share: Amount of grant. Local share: No specific requirement.	Requirements for participation: Any town may participate. Extent of participation: 29 districts. Distributed: Grant payments one-third each - September, December, March. Contact: Joseph F. Murphy
SPECIAL EDUCATION (Sec. 10-76a to g)	$ 15,705,684 (6.0%)		
Special Education...............	Grant is made to any applicant school district which is providing an approved program (1) for handicapped children who need and can profit from special education or (2) children who have extraordinary learning ability or outstanding talent in the creative arts.	State share: Two-thirds of the net cost as defined in Sec. 10-76f. Local share: Balance of special education costs.	Requirements for participation: Each district must provide special education programs for children defined under (1), and may provide programs for children defined under (2), program must be approved by State Department of Education. Extent of participation: 168 districts. Contact: Robert I. Margolin

Provisions **for the distribution of State funds for the public schools and for program participation**

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
SPECIAL EDUCATION--continued			
Special Education Regional Plan (Sec. 10-76e)....................	Grant made to any school district providing Special Education facilities for children residing in other school districts as a part of a long-term plan.	State share: 100 percent of the net cost of facilities provided and used exclusively for this purpose. Local share: No specific requirement.	Requirements for participation: Long-term plan and facilities shall have the approval of the State Board of Education. Grant is paid in one lump sum upon certification of the completion of the building project (construction, reconstruction, and equipment). Contact: Robert I. Margolin
SCHOOL LUNCH (Sec. 10-215 and P.A. 702 1971 General Assembly)	$ 270,000 (.0%) (Est. 1971-72)		
School Lunch.....................	Grant is made to any school district operating a school lunch program as provided in the National School Lunch Act equal to the matching requirement of this act.	State share: Amount required by Federal act. Local share: No specific levy required.	Requirements for participation: The local program shall provide free lunches and/or breakfasts to children defined as economically disadvantaged. Includes nonpublic school children.
TRANSPORTATION (Secs. 10-273a to 10-281, 10-97 and P.A. 851, 1971 Session)	$ 7,446,543 (2.7%)		
Transportation..................	Payments made as reimbursements of one-half the cost for providing the service with limits as follows: a. to a Regional School, no limit per pupil. b. to Public out-of-town High Schools, $35 per pupil. c. to Public Elementary Schools, Secondary Schools in-town $20 per pupil. d. to Vocational Schools out-of-town $200 per pupil.	State share: May not exceed one-half of the cost. Local share: At least 50 percent of cost.	Requirements for participation: a. Transportation must be provided for elementary, secondary pupils, and mentally handicapped pupils in accordance with standards established by the Commissioner of Motor Vehicles. b. Any town not maintaining a high school shall pay reasonable and necessary costs of transportation to an approved high school in another town. c. Towns in which there is no vocational school must provide transportation for pupils attending such school in another town. Extent of participation: 168 districts.
Transportation to Nonpublic Schools (P.A. 653, 10-281 and P.A. 851, 10-277 1971 Session - Effective July 1, 1971)	Grants to town or district made upon the same basis as for public school transportation.	Same share as for public school transportation.	Requirements for participation: a. In-town transportation shall be provided for nonpublic school children on the same basis as public school children when a majority of children attending such nonpublic school are

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
TRANSPORTATION--continued		from such municipality. b. Out-of-town transportation. A town not maintaining a high school may furnish transportation for nonpublic high school children similar to that furnished to its public high school children.
INDUSTRIAL ARTS PROGRAMS (Sec. 10-96) $ 436,652 (.2%)		
Industrial Arts.................. Funds used to reimburse new or expanded town-operated program costs as determined and approved by the State Board of Education.	State share: 100 percent of approved amount adjusted to funds available for that year. Local share: No specific levy is required.	Requirements for participation: The State Board of Education established standards for approval of programs in junior and senior high schools and the regulations for grants in aid to the towns and districts. Extent of participation: 64 districts. Distributed: Payments made in July for the previous year. Contact: G. Wesley Ketcham
REGIONAL VOCATIONAL AGRICULTURE CENTERS (Secs. 10-64 to 10-66) $ 625,999 (.2%)		
Regional Vocational Agriculture Centers........................... Town or regional school district operating a vocational agriculture center is eligible for grants for: a. The total cost of constructing and equipping such centers. b. The total net cost (legal formula) of operating such center. Sending towns shall receive one-half tuition paid according to provisions of Sec. 10-65.	State share: 100 percent of construction and equipment and approximately two-thirds of cost of operation. Local share: Approximately one-third of cost of operation.	Requirements for participation: Any town or regional board may join with other boards to establish such centers and shall appoint two representatives to the center's consulting committee. Extent of participation: 14 centers. Serving: 140 districts. Contact: Llewellyn L. Turner
VOCATIONAL TECHNICAL SCHOOLS (Sec. 10-95) $ 11,421,966 (4.2%)		
Vocational Technical Schools..... Appropriation to enable the State Board of Education to establish and operate Regional Vocational Technical Schools in towns best adapted for the purpose of serving selected pupils from grades nine through twelve from several towns.	State share: 100 percent of the cost of establishing and operating such schools. Local share: The town shall provide reasonable and necessary transportation, not to exceed $400 per year per pupil.	Requirements for participation: Students are selected on the basis of school records and apparent ability to succeed in the program. Extent of participation: The State Board operates 15 vocational technical schools serving students from 169 towns and districts.

STATE SUPPORT, 1971-72

CONNECTICUT

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
VOCATIONAL TECHNICAL SCHOOLS--continued			Contact: Walter A. Bialobrzeski
PUPILS RESIDING ON TAX-EXEMPT STATE PROPERTY (Sec. 10-266)	$ 582,059 (.2%)		
	In lieu of taxes a town receives the amount by which the current expenses per pupil exceed the amount of the other State grants per pupil, including pro rata share of payments on the principal and interest of school building bonds.	State share: 100 percent of approved amount. Local share: No specific local levy required.	Requirements for participation: Town must have an eligible State institution located within the district and have pupils living on State tax-exempt property and attending the public schools. Extent of participation: 17 districts.
HEALTH AND WELFARE SERVICES; NONPUBLIC SCHOOLS (Sec. 10-217a)	$ 2,070,073 (.8%)		
Health and Welfare (Nonpublic)....	Each town providing health and welfare services (listed) for the children of its public schools shall provide the same services for those children attending a private school enrolling a majority of its children from the town.	State share: 100 percent of approved amount. Local share: No specific requirement.	Requirements for participation: The local board of education deducts salary for the teachers' retirement fund for those employed under this section. Extent of participation: 68 districts.
HEALTH EDUCATION (Secs. 10-15, 10-19, 10-146)	$ 150,000 (.0%) (Est. 1971-72)		
Health Education..................	New appropriation to initiate or expand health education in the local schools.	State share: Amount of the grant. Local share: No specific levy required 1971-72.	Requirements for participation: New legislation 1971-72 - guidelines being developed any town may participate. First priority given to Drug Education programs. Contacts: Ruth V. Byler Donald J. Annesser

(Additional assistance provided for elementary and secondary education which has an effect on the cost of education to the towns)

Supervisory Service for Districts

Sec. 10-159. Any district which employs not more than thirty-five teachers may petition the State Board of Education to provide supervisory service and the State Board is authorized to appoint the necessary supervising agents and pay their salaries together with their necessary expenses with some exceptions as stated in the law. The State Receiving and Study Home at Warehouse Point receives this service.

P.A. 861, 1971 Session. Any Board of Education receiving supervisory service under Sec. 10-159 may elect, in lieu of such service, to receive a grant equal to one-half of the total cost of operating such service as of June 1970.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
State Schools		
Education of the Deaf Sec. 10-315. The State Board of Education may admit any deaf minor person, domiciled within this State, as a pupil at any institution in this State for the education of the deaf. Said Board may contract and bear the expenses for the support, care and education of persons so admitted, as detailed in this section.		
Education for Crippled Children		
Sec. 10-92 - 10-94. The Newington Hospital shall maintain a program for the education of physically handicapped children under its control, approved by the State Board of Education. The State Board of Education, through its secretary, as specified in these sections, may provide a sum equal to two-thirds of the certified cost of this program not to exceed $800 per pupil in ADM.		

CONNECTICUT

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Assessed valuations are established by local assessors who are elected by the people, or in some instances, appointed by municipal authorities. County commissioners or similar officials do not have authority to change assessments but the State Tax Commissioner does have the authority to adjust local assessments in order to equalize them on a statewide basis if, in his opinion, such adjustment and correction are necessary for any purposes for which such equalized lists are required by law to be used. This authority is not exercised because no law requires the use of an equalized list.

Intermediate districts: None.

Local districts: Approximately 97 percent of local school funds come from the general property taxes levied by towns and cities on local assessed valuations. There is no specified limit to the tax rate which may be levied for general fund purposes. The electorate must approve the levy. No nonproperty taxes are levied specifically for schools.

Provisions for School Indebtedness

Initiating bond issues: Bonds are issued by the town government or by regional school districts.

Limitations on issuance of bonds: Only serial bonds issued for refunding and to finance capital outlay can be issued. The maximum time limit for payments is 20 years.

Limitations on debt: In 1971 the legislature enacted new debt limitations. The new limits for schools of cities, towns and regional school districts are based on the annual receipts for taxation for the most recent fiscal year next preceding the date of issue multiplied by the following factors (Sec. 7-374):

Schools of Cities and Towns
(4.5 x receipts)

Regional School Districts
partial regionalization (2.5 x receipts)
total regionalization K-12 (4.5 x receipts)
(plus an additional 3.5 x receipts)

Total Debt All Classes Combined (7 x receipts)

Voting requirements: Bond issues must be approved by a majority vote by a town or regional school district.

Approval and sale of bonds: No further approval is required by other agencies. Bonds are sold on a fixed interest rather than "yield" basis. It is not necessary that bonds first be offered to a State agency for purchase, and no State assistance is provided in selling the bonds. Funds from the sale of bonds may be invested if their immediate use is not required.

Grants (Sec. 287a): Grants may be paid in one lump sum when the project is completed or paid through partial advances during the project. Grants in the form of interest subsidies are made to towns for the bonding required to meet the local share of construction costs.

Short-term indebtedness: Local boards of education may not borrow funds for any purpose. Connecticut schools are fiscally dependent. The budget of the board of education is an integral part of the total town budget. If during the year it is necessary to borrow funds to finance the appropriations, the financial authorities of the town can borrow the necessary funds. Provision for the retirement of such borrowing must be made in the tax levied for the next fiscal year. The amount of indebtedness incurred in anticipation of taxes is not included in computing the town's aggregate indebtedness. A regional school district may borrow up to $200,000 for a period of 5 years for acquiring lands, securing services of architects and professional consultants, operating and maintaining a regional school, installing equipment, and other necessary expenses.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Budget forms are prescribed by the State Tax Commissioner for towns having a board of finance established under the General Statutes. The school fiscal year of the State is July 1 to June 30. This coincides with the State's fiscal year. Many of the towns and, therefore, the schools have a different fiscal year.

Local approval: (Sec. 10-222) The local board of education must submit its proposed budget to the Board of Finance, or other appropriating authority, not later than two months preceding the annual appropriating meeting. A public hearing must be held two weeks prior to such meeting. The budget recommended for adoption by the Board of Finance, or other appropriation authority, must be published in local newspapers prior to such meeting. At such meeting, by vote of the electorate, the budget may be reduced and/or accepted or rejected. It may not be increased. The money appropriated for education at this meeting is spent by and in the discretion of the Board of Education. The regional Board of Education follows similar procedures without a Board of Finance and approval is at a Regional District meeting.

State review or approval: School budgets are not subject to review by any State official.

Provisions for School Audits

Biennial school audits are required of all districts. Such audits are made either by the State Tax Commissioner or by an independent public accountant under his supervision. Copies of all town audits must be filed with the State Tax Commissioner.

Provisions for School Audits--continued

The cost of these audits is paid by the town except that towns having average annual receipts from property taxation of $75,000 or less during the 3 years preceding may request the State Tax Commissioner to make the audit. In such cases, the cost is shared equally by the State Tax Commissioner and the town. Any town whose average annual receipts from property taxation during the 3 preceding years are between $75,000 and $200,000 may also request the State Tax Commissioner to audit the books, but the cost is borne by the municipality.

DELAWARE

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

DELAWARE PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Roger C. Mowrey, Administrative Assistant, Delaware State Department of Public Instruction, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 80 percent of the non-Federal income for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.

2. About 0.5 of 1 percent of the State support money is from the earned income of permanent school endowments. The remainder is provided by legislative appropriation.

3. About 75 percent of the State public school support program is distributed through Division I (salaries) and Division II (other costs) appropriations. Division I (salaries) accounts for 82 percent of the total basic appropriation.

4. The State salary schedule for instructional staff members provides $6,773 per year for beginning teachers with a bachelor's degree and 10 one-year increments of $200 each to a maximum salary of $9,030 per year. Teachers with a master's degree, or equivalent training, start at $7,676 per annum and progress to $9,[illegible]3. Teachers with a doctor's degree reach a maximum of $11,[illegible]2.

5. Other State salary schedules provide for administrative supplements and salaries for non-instructional school employees, such as clerks, secretaries, nurses, custodians, and school lunch employees.

6. Other State grant programs provide support for school construction, pupil transportation, equalization, maintenance of school buildings, growth and upgrading, minor capital outlay, and approved courses in occupational-vocational subjects.

LOCAL SUPPORT

1. Property taxes account for approximately 80 percent of the local tax receipts for school support.

2. Nonproperty taxes authorized for school support include a capitation tax which ranges from $5 to $20 per capita in the separate school districts which levy this tax. There is no required local capitation tax levy and this tax is not used in all districts.

3. There is no required local tax rate which school districts must levy in order to participate in the basic State support school program. However, local districts are required to pay 40 percent of the total cost of construction of school facilities as determined by the General Assembly.

4. There is no limitation set for the tax rate which local districts levy if approved at a popular election. This applies to both property and capitation taxes.

5. Except for the city of Wilmington, school bonds may be issued for up to 10 percent of the local assessed valuation of taxable property. Wilmington is limited to 2 percent of the local assessed valuation upon approval by the city council.

6. Both property and capitation taxes may be used for debt service if such taxes are approved by a special referendum.

Provisions for the distribution of State funds for the public schools and for program participation

<table>
<tr><th colspan="2">Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td>Total. . . . .</td><td>$104,254,514 (100.0%)</td><td></td><td></td></tr>
<tr><td>SALARIES (DIVISION I) AND OTHER COSTS (DIVISION II) (grades 1-12)
(Title 14, Chapters 13 & 17, School Laws of Delaware)</td><td>$ 77,494,221 (74.3%)</td><td></td><td></td></tr>
<tr><td>Instructional staff salaries, regular......................</td><td>Scheduled amount per teacher:
<table>
<tr><th rowspan="2">Level of preparation</th><th colspan="3">Teacher Experience</th></tr>
<tr><th>Beginner amount</th><th>Maximum amount</th><th>Years to reach maximum</th></tr>
<tr><td>No degree</td><td>$6,321</td><td>$ 8,579</td><td>10</td></tr>
<tr><td>B.A. or B.S.</td><td>6,773</td><td>9,030</td><td>10</td></tr>
<tr><td>M.A. or M.S.</td><td>7,676</td><td>9,933</td><td>10</td></tr>
<tr><td>Master's, plus 30 hrs.</td><td>8,353</td><td>10,610</td><td>10</td></tr>
<tr><td>Doctorate</td><td>8,804</td><td>11,062</td><td>10</td></tr>
</table></td><td>State share: 100 percent of calculated amount.

Local share: None. Federal funds for Public Law 874 are not used to establish or reduce the amount of State aid.</td><td>Requirements for participation: No separate requirements.

Extent of participation: All 26 school districts in the State.

Distributed: Quarterly allotments.</td></tr>
<tr><td>Teachers employed on extended term.............</td><td>10 percent additional for each extra month</td><td></td><td></td></tr>
<tr><td>Administration and supervision salaries.....................</td><td>Scheduled amount per position.</td><td></td><td></td></tr>
<tr><td>Clerks, nurses, custodians, and school-lunch employees...</td><td>Allowance as per appropriate separate salary schedule.</td><td></td><td></td></tr>
<tr><td>School costs other than debt service and transportation...</td><td>Amount per pupil unit based upon enrollment, September 30.</td><td></td><td></td></tr>
<tr><td>Elementary grades.........</td><td>1 unit each 25 pupils, grades 1-6.</td><td></td><td></td></tr>
<tr><td>Secondary grades..........</td><td>1 unit each 20 pupils, grades 7-12.</td><td></td><td></td></tr>
<tr><td>Mentally handicapped......</td><td>1 unit each 15 such pupils.</td><td></td><td></td></tr>
<tr><td>Trainable mentally handicapped...................</td><td>1 unit each 6 such pupils.</td><td></td><td></td></tr>
<tr><td>Partially sighted.........</td><td>1 unit each 10 such pupils.</td><td></td><td></td></tr>
<tr><td>Partially blind...........</td><td>1 unit each 8 such pupils.</td><td></td><td></td></tr>
<tr><td>Partially deaf............</td><td>1 unit each 8 such pupils.</td><td></td><td></td></tr>
<tr><td>Homebound.................</td><td>Cost paid by State.</td><td></td><td></td></tr>
<tr><td>Other costs...............</td><td>$1,120 per pupil unit of 20 or 25 pupils.</td><td></td><td></td></tr>
<tr><td>SCHOOL CONSTRUCTION FUND
(Title 29, Chapter 75, Laws of Delaware)</td><td>$14,000,000 (13.4%)</td><td></td><td></td></tr>
<tr><td>School Construction..........</td><td>Cost of construction of approved projects.</td><td>State share: 60 percent of project cost.

Local share: 40 percent of project cost.</td><td>Requirements for participation: Obtain State Board of Education approval of plans and provide local share of project cost.</td></tr>
</table>

DELAWARE

STATE SUPPORT, 1971-72

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
School Construction (continued)			Extent of participation: Each school district in a construction program. Distributed: When bonds are sold for the local share of construction.
TRANSPORTATION FUND (Title 14, Ch. 29, Secs. 2901-2904, Ch. 31, Secs. 3102-3104, Delaware Code Annotated, Revised 1956)	$ 5,810,000 (5.6%)		
Transportation....................	Cost of pupil transportation.	State share: 100 percent of contractual obligation. Local share: None.	Requirements for participation: None. Extent of participation: All districts. Distributed: State transfers estimated costs at beginning of year.
SCHOOL BUILDING MAINTENANCE AND MINOR CAPITAL PROGRAM (Annual Budget and Capital Improvements Acts)	$ 1,800,000 (1.7%)		
Repair of buildings and replacement of equipment......	Cost determined by age and size of building.	State share: 60 percent of calculated amount. Local share: 40 percent of calculated amount.	Requirements for participation: Approval of projects by State Board of Education. Extent of participation: All school districts in the State. Distributed: When local share is deposited with the State treasurer.
EQUALIZATION (DIVISION III) (Title 14, Chapter 17, School laws of Delaware)	$ 2,799,000 (2.7%)		
Equalization of school support........................	*$900.00 per unit of 20 and 25 pupils or a per rata share of a lesser amount.	State share: 100 percent of the calculated amount minus the local share except that in no case shall the State share be less than 10 percent nor more than 90 percent of the authorized amount. Local share: $\frac{\text{District full assessed valuation per ADM}}{\text{State average full assessed valuation per ADM}} \times .50\ (\$900.00)$	Requirements for participation: Local tax levy sufficient to meet local share. Extent of participation: All districts. Distributed: At beginning of year and on October 15.

*Funds equal to a $450.00 guarantee were appropriated for the 1971-72 school year.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
GROWTH AND UPGRADING (Annual Budget Act)	$ 1,051,293 (1.0%)		
Budget deficiencies...........	Entitlement based on actual increases in enrollment over district estimate and is calculated in same basis as entitlement under Salaries (Division I) and Other Costs (Title 14, Chapters 13 & 17, School Laws of Delaware)	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: None.
OCCUPATIONAL-VOCATION COURSES (Title 14, Chapter 17, School Laws of Delaware)	$ 1,300,000 (1.3%)		
Occupation course emphasis....	Calculated on basis of pupil unit and salary costs for special subjects approved by State Board of Education.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Approval of budgets by State Board of Education. Extent of participation: All districts. Distributed: At beginning of year.

DELAWARE

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Assessed valuations for tax purposes are established by the county board of assessment which is appointed by the levy court of the county and are not supervised by State officials. No State authority can change local assessments to equalize them on a statewide basis, nor establish assessment ratios in the school districts. In general, the taxing authority of local school boards is independent of other local governmental authorities.

Intermediate districts: None.

Local districts: School district funds are derived from both a property tax on local assessed valuations, a capitation tax, and to a small extent, a trailer tax. Districts may, upon a referendum, raise any amount for current expense. For current expense, the rate and purpose for which the funds are to be used must be specified. When a district, through referendum, approves issuing bonds for capital outlay, the same vote authorizes the district to levy taxes, either property or capitation tax or both, sufficient to meet the cost of debt service.

Provisions for School Indebtedness

Initiating bond issues: School districts are authorized to issue bonds for capital outlay only.

Limitations on issuance of bonds: Only serial bonds may be issued. The maximum time for which bonds may be issued is 25 years.

Limitations on debt: As provided in the statutes, the maximum amount of school bonds which may be issued by any district is limited to 10 percent of the local assessed valuation, except in Wilmington, where bonds may be issued up to 1 percent of the valuation per year with a maximum of 2 percent with the approval of the city council. There is no provision for exceeding these limits.

Voting requirements: All bonds and debts, except in the case of Wilmington, must be approved by a majority of the qualified electors eligible to vote in a general election.

Approval and sale of bonds: State board approves building program and date for holding referendum. This gives the district authority to issue the bonds if approved. Prior to any election for the approval of a proposed issue of school bonds, the proposal must be submitted to the State Board of Education for approval, except in the case of Wilmington, where the city council approves and issues the bonds for school construction. School bonds are sold on a yield basis and it is not necessary to offer them first to any State agency. The State assists with the sale of school bonds. There are no funds from bonds that are not immediately used for school capital outlay. Hence there is no provision for investment of such funds.

Bond records, tax levies, and payments: Taxes are required to be levied in the amounts necessary to retire legally authorized bond issues and are over and above any which may be voted or approved for the current program. The State Treasurer maintains the bond records and bills local school districts for the payment of principal and interest on school bonds.

Short-term indebtedness: Local boards of education may, after a favorable referendum, issue and sell notes in anticipation of the issuance of the building bonds.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budget forms for all districts are prescribed and provided by the State Budget Director, but only for the purpose of making reports to the Governor for his recommendations for the annual school appropriation. The fiscal year begins on July 1 and ends on June 30.

Local approval: Estimates on which school budgets are based are prepared by local school officials. Approval of the budget by the local board of education must be obtained before October 15 in order that the Budget Director may make its appropriation recommendations. It is not necessary for the county or a local nonschool agency to act on the budget. There is no requirement for the publishing or posting of school budgets.

State review or approval: The local budget for State funds (in reality these are only requests for State appropriations and do not include local funds) is submitted to the Legislature for all districts. These budgets become official only when and as included in the legislative appropriations. The total authorized by the Legislature may not be exceeded and must be used for purposes stated in the appropriation act. There are no reviews by State authorities on the use of local funds after these funds are approved by the voters of the districts except by State auditors; however, they must be used as approved by the referendum.

Provisions for School Audits

Annual audits are required of all schools as soon as possible after July 1. These audits are made by the State Auditor who is responsible for auditing the funds of each school district. In the city of Wilmington, however, audits are made by an independent auditing agency and are paid for by the city.

FLORIDA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

FLORIDA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Herman O. Myers, Assistant Superintendent, School Finance, Florida Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Funds for State grants to school districts are provided mainly by legislative appropriation, but approximately 4 percent is obtained from earmarked taxes and less than 1 percent is from permanent school endowments.
2. About 84 percent of the State funds apportioned for the public schools is distributed under the provisions of the State Foundation Program Fund, and 5 percent is distributed through the County School Sales Tax Trust Fund.
3. Allowances in the foundation program include amounts for salaries of certificated personnel, pupil transportation, other current expenses, education improvement expense, and capital outlay and debt service. County School Sales Tax Trust Fund distributions are for the purpose of providing necessary funds for meeting retirement matching requirements.
4. Foundation program salary allowances for instructional personnel in kindergarten and grades 1-12 are based on instruction unit salary values which provide allotments ranging from $2,800 to $9,500, depending on the years of college credit, contractual status, and years of Florida teaching service. The unit salary value of a beginning teacher with a bachelor's degree is $5,300. Other K-12 foundation program allowances include funds for transportation; $2,700 per instruction unit for other current expenses; $1,720 per unit for education improvement expense; and $400 per instruction unit for capital outlay and debt service.
5. Although included in the foundation program, amounts for capital outlay and debt service are separately provided for by an earmarked tax.

LOCAL SUPPORT

1. Local revenue for school support is derived almost totally from property taxes. There are no local nonproperty taxes levied specifically for the schools. All school districts in the State are countywide.
2. District boards of education are authorized to levy up to 10 mills on the local assessed valuation of property for the support and maintenance of schools without a vote of the people. In addition, the electorate may vote to increase the levy by another 10 mills. However, by statute each county participating in the State Foundation Program is limited to a 10-mill levy for operation and maintenance, exclusive of the millage rates for capital outlay purposes, required debt service, deficit in State funding of retirement matching, and the amount of money necessary to replace any decrease from the previous years Federal Impact funds.
3. The amount of school revenue to be provided by each district for participation in the State Foundation Program for grades K-12 is equal to 95 percent of the calculated yield of a 4.5-mill levy on 100 percent of the non-exempt assessed valuation of the district.
4. State Board of Education regulations prohibit school districts from issuing school bonds in excess of 10 percent of the assessed valuation except with specific State Board approval.
5. Tax levies for debt service are in addition to the levies for current school expenditures, but are limited by State Board of Education regulations to 6 mills except with specific board approval.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total	$712,540,903 (100.0%)		
STATE MINIMUM FOUNDATION PROGRAM FUND (Current expenses, grades K-12) (Secs. 236.01 to 236.251 Florida Statutes first established in 1947. Capital Outlay and debt service portion separately provided by constitutional amendment Art. XII, Sec. 9, which guarantees support for these purposes through 1999 by dedicating the first proceeds of automobile tag registrations.)	$601,035,119 (84.3%)		
Instruction units...............	The division for the ADA of first-grade pupils is two less than the division for the ADA of pupils in grades 2-12 in all schools with an ADA of 90 or more pupils the preceding year.	State share: Calculated amount minus local share. Local share: 95 percent of the calculated yield of 4.5 mills of tax or 100 percent of the non-exempt assessed valuation of each district for the preceding calendar year.	Requirements for participation: Districts must be properly organized and comply with State requirements. Each certificated degree teacher must be paid 90 percent of appropriate allocated amount or $5,300, whichever is greater, and the total amount paid instructional personnel must be at least equal to the amount allotted for salaries. Extent of participation: All 67 school districts. All districts are countywide. Distributed: In 12 equal monthly payments; except recalculation funds which are distributed 35 percent in January, 35 percent in February, and the balance in March.
Large schools..................	One unit for each 27 pupils in school with 300 or more pupils in ADA during the preceding year.		
Small schools..................	The number of pupils per instruction unit is decreased to as low as 17 for isolated schools of fewer than 60 ADA during the preceding year.		
Teachers of exceptional children, kindergarten children, and vocational and adult education.............	Additional units allowed.		
Teacher services personnel, and supervisors.................	Additional units allowed.		
Instructional salaries..........	Scheduled amount per instruction unit: College preparation (Degree or years of college) — Amount Doctor's — $7,700 Post-Master's or 6th yr. post-master's-level study in approved program at approved university — 7,000 Master's — 6,300 Bachelor's — 5,300 3-3.9 years — 3,000 2-2.9 years — 2,800 Additional $400 for each instruction unit sustained by a certificated degree teacher who holds a continuing contract; another $400 is added for each such teacher who has completed 7 years' teaching service in Florida public schools; another $400 is added for each such teacher who has completed 10 years' service in Florida public schools;		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
STATE MINIMUM FOUNDATION PROGRAM--continued			
Instructional salaries--continued	and another $600 is added for each teacher who has completed 15 years' service in Florida public schools.		
Salary supplement.............	Twenty percent increase in salary allocation amount for supervisors, special teacher services personnel, vocational teachers and adult education teachers employed for the 2- month period beyond the 10 months required for all instructional personnel.		
Pupil transportation..........	Regular pupils--An allowance determined by the density index of the county: For each pupil in ADA transported at public expense the preceding year, from $10 to $20 per pupil; and for adjusted one-way miles in the morning traveled by school transportation vehicles operated at public expense, from $61.20 to $43.20 per mile. Exceptional children--$1,250 for each vehicle used exclusively for transporting 10 or more such children in ADA with proportionate allowance for fewer than 10 but not less than 4 pupils. Vocational-technical center--$1,250 for each 30 pupils in ADA transported with proportionate allowance for fewer than 30 pupils for pupils assigned primarily to the vocational-technical center. For pupils enrolled primarily in the basic education center who are also in attendance at a vocational-technical center and transported to or from that center: 20 cent per mile traveled between the 2 schools for each 50 such pupils in ADA transported with a proportionate amount for fewer than 50 pupils.		
Current expense other than salaries and transportation....	$2,700 per instruction unit for which $100 must be used to purchase instructional materials.		
Education improvement expense..	$1,720 per instruction unit which must be used based on an approved plan for improving educational program in which staff development must be given highest priority.		

STATE SUPPORT, 1971-72

FLORIDA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
STATE MINIMUM FOUNDATION PROGRAM--continued			
Increased attendance........... (Recalculation funds)	Foundation program allowance may be increased according to the percentage increase in ADA for the first 2 months of school over the ADA for the same period the previous year.		
Pupils enrolled in State university laboratory schools..	Each State university which operates a laboratory school as part of its teacher preparation program receives all State funds per pupil as is computed for the county in which the university is located. Payments are made directly to the university and are in lieu of payments of State funds to the county board for the operation of such school.		
Public school services for pupils enrolled in nonprofit private schools................	Pupils enrolled in private schools may not be concurrently enrolled in a public school (so-called shared time or dual enrollment) and so are not counted in determining the amount of State aid for which a district may qualify under this apportionment.		
AVERAGE DAILY ATTENDANCE SUPPLEMENT (Chapter 71-358, Laws of Florida)	$14,773,200 (2.1%)	State share: 100 percent.	Requirements for participation: Districts must operate public schools.
Current expense grades 1-12....	Pro rata basis for each pupil in ADA (grades 1-12).	Local share: None.	Extent of participation: All 67 districts. Distributed: In 12 equal monthly payments.
DISTRICT SCHOOL SALES TAX TRUST FUND (Sec. 236.075 Florida Statutes)	$34,414,000 (4.8%)		
For the purpose of providing the funds necessary to meet the required payments to the retirement systems, grades K-12......	$500 per instruction unit, allowance for increased ADA in grades K-12 (recalculation funds) is made using the same percentage factor established for the State Foundation Program Fund, grades K-12.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Each county or district must earn instruction units under the State Foundation Program. If the county board fails to make the required payments to the teachers' retirement system and to the State and county officers and employees' retirement system the State comptroller is required to deduct the amount owned and remit it to the appropriate retirement system for the credit of the county. Extent of participation: All 67 school districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
DISTRICT SCHOOL SALES TAX TRUST FUND--continued			Distributed: In equal monthly payments, except for recalculation funds for K-12 program which are distributed 35 percent in January, 35 percent in February and the balance in March.
STATE TEXTBOOK FUND (Sec. 233.01-233.50, Florida Statutes)	$ 8,962,590 (1.3%)		
For the purpose of providing free textbooks, grades 1-12...	The average annual per pupil cost (current average replacement cost) of textbooks for grades 1-3, 4-6, 7-9, 10-12 is computed in each category. Each district's allocation is computed by multiplying the average annual per pupil cost in each category by the latest official enrollment figures.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: File required reports annually and submit necessary requisitions. Extent of participation: All 67 school districts. Distributed: As orders are received. State places purchase order.
RACING COMMISSION FUND (Secs. 550.13 and 550.14, Florida Statutes and Special or Local Acts of the Legislature)	$ 12,700,000 (1.8%)		
Teachers' salaries or pupil transportation expense unless earmarked by special or local act............................	Equal amount to each county. The amount for each county school board must be earmarked by local or special law or allocated by resolution of the board of county commissioners.	State share: 100 percent of calculated amount. Amount indicated is the portion which is estimated will be used for public schools of an estimated $29,915,500 distributed through this fund. Local share: None.	Requirements for participation: Funds must be earmarked from this distribution by local or special law for distribution to the board of public instruction or allocated by resolution of the board of county commissioners. Extent of participation: 58 school districts. Distributed: Monthly.
DISTRICT SCHOOL ADDITIONAL CAPITAL OUTLAY TRUST FUND (Sec. 236.074, Florida Statutes)	$ 4,924,400 (0.7%)		
Capital outlay, grades 1-12........	$200 per pupil increase in ADA in grades 1-12 for the last completed school year over the next previous year.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: District must create a separate "School Construction Fund." Extent of participation: 40 school districts. Distributed: Officially committed funds are transmitted when needed, to meet capital outlay expenditure.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
PUBLIC SCHOOL DRIVER EDUCATION FUND (Sec. 233.063, Florida Statutes)	$ 2,100,000 (0.3%)		
Driver Education..................	Up to $700 per driver education unit earned for current expense, and an amount for teachers' salaries equal to the unit value in the foundation program according to the State salary allotment or salary actually paid, whichever is less. One driver education unit is allowed for courses for each 125 pupils provided a minimum of 30 hours of classroom instruction and an average minimum of 6 hours' actual driving experience.	State share: 100 percent of calculated amount if funds allow, or pro rata share of available funds. Local share: Balance of cost not covered by reimbursement.	Requirements for participation: Secondary schools must provide a course of study and instruction in the safe and lawful operation of a motor vehicle. The course of study and the employment of instructors must be administered in accordance with regulations of the State board of education. Extent of participation: All 67 school districts. Distributed: After close of the semester as soon as final reports have been submitted and approved.
VOCATIONAL-TECHNICAL CENTER CONSTRUCTION FUND (Art. XII, Sec. 9, Florida Constitution and implementing legislation authorizing projects)	$ 3,150,000 (0.4%)		
	Instructional space requirements are computed on the basis of a utilization factor per student station applied to a square footage requirement per student station for the appropriate type of specialized shop, laboratory or classroom. Current inventories are deducted and the net space needed is multiplied by an estimated construction cost to determine funds needed.	State share: 100 percent approved amount. State amounts are derived from Utilities Gross Receipts taxes, and the proceeds from bonds pledging such funds for debt service on the bonds. Local share: None.	Requirements for participation: A county board or county boards of contiguous counties must have State board approval to organize, establish, and operate an area vocational-technical center. A survey supervised by the Statw Department of Education must establish the need for facilities. A project description must be submitted for review which conforms to the survey and requirements of law. Extent of participation: 10 school districts scheduled for participation. Distributed: Officially committed funds are transmitted when needed to meet capital outlay expenditure.
STATE SCHOOL FUND (Art. IX, Sec. 6 Florida Constitution)	$ 5,000,000 (0.7%)		
	Appropriated as a part of MFP.	State share: 100 percent. Although distributed to counties as a part of State Minimum Foundation Program Fund, this fund is the interest earned on investments of the principal of the State School Fund and may include the principal. Local share: None.	Requirements for participation: Districts must operate public schools. Extent of participation: All 67 districts. Distributed: As a part of State Minimum Foundation Program by a warrant drawn on this Trust Fund once annually.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
EXCEPTIONAL CHILD EDUCATION EQUIPMENT FUND (Chapter 71-357, Laws of Florida) $ 487,500 (0.1%) $750 per new approved exceptional child unit.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: County must have approved exceptional child units under the State Minimum Foundation Program. Funds must be used exclusively for capital outlay expenditures for the specialized equipment necessary for exceptional children enrolled in the special education program. Extent of participation: 61 school districts. Distributed: On a reimbursement basis for items included in a project plan approved by State Superintendent.
EXCEPTIONAL CHILD EDUCATION FACILITIES FUND (Chapter 71-357, Laws of Florida) $ 3,512,500 (0.5%) Allocated to selected counties on the basis of program need as established in accordance with criteria approved by the State Board.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: County must have approved exceptional child units under the State Minimum Foundation Program. Funds must be used for construction of specialized classrooms and related facilities. Facilities must meet all requirements of law and regulation relating to school construction and application for funds must be approved by State Board. Extent of participation: 21 counties are expected to participate. Distributed: Annually, upon approval of application by State Board.
DISTRICT CAPITAL OUTLAY AND DEBT SERVICE SCHOOL FUND (Co. & D.S., K-12)(Art. XII, Sec. 9, Constitution of the State of Florida, except for recalculation amount which is authorized by Sec. 236.03, Florida Statutes) $26,481,594 (3.7%) $400 per instruction unit, allowance for increased ADA (Recalculation funds) in grades K-12 are determined by employing the same percentage factor established for State Minimum Foundation Program Fund, grades K-12.	State share: Although included in the State Foundation Program Fund, funds for capital outlay and debt service are separately provided from Motor Vehicle License Funds (by Constitutional Amendment), except for the recalculation amount which is from the State General Revenue Fund. The State pays the full amount of the calculated allowance.	Requirements for participation: Earn instruction units under the Foundation program. Districts may request the State Board to issue bonds on behalf of the county with amounts to be paid from anticipated State payments to the extent that annual principal and interest payments equal 75 percent of the county allowance.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
DISTRICT CAPITAL OUTLAY AND DEBT SERVICE SCHOOL FUND --continued	Local share: None.	Extent of participation: All 67 school districts. Distributed: In September and March, except for recalculation funds which are distributed in March.

Provisions for Raising School Revenue

Property assessments: Assessed valuations are established by county assessors who are elected by popular vote. Counties have their own equalization boards with authority to change assessments on appeal. The State Comptroller examines assessments for disparities or errors. State law requires all county tax assessors to assess all property in such a manner as to secure a just valuation and establish factors which are to be considered in reaching such valuation. County tax assessors are required to prepare assessment rolls based on 100 percent valuation.

Local districts: The district school board must, in accordance with the Constitution, levy a minimum of 3-mills on the non-exempt assessed valuation for support and maintenance and is authorized to levy a maximum of 10-mills without vote of the people. The levy is usually made for general purposes, but in some counties a part is earmarked for capital outlay purposes for which a maximum of 2-mills may be set aside as a special reserve.

The qualified electors of the countywide district in each county, who pay a tax on real or personal property, vote biennially to determine the district current millage of a maximum of 10 mills on the non-exempt assessed valuation for support and maintenance of schools, which augments the county revenue described above. A maximum of 4 mills of the possible 10 may, by vote, be set aside in a special reserve fund for capital outlay. Local districts have no nonproperty taxes.

District levies for debt service created by bond issues are unlimited by law and are set by the county board according to need under the advisory supervision of the State Commissioner. State Board regulations initially limit such levies to 6 mills except with specific board approval.

Effective July 1, 1968, any county board desiring to participate in the K-12 Minimum Foundation Program is by statute limited to a tax levy of 10 mills for county and district current millage combined, exclusive of district millage voted for capital outlay purposes, millage for required debt service, millage required for junior college minimum effort, and millage to the extent necessary to replace any decrease from the previous year in funds from Public Law 874.

All but two of the county school boards, where approval of a budget commission is required by special legislative act, are virtually independent fiscally. Approximately 15 percent of the enrollment of the State is in these fiscally dependent districts.

Provisions for School Indebtedness

Initiating bond issues: The proposal for issuing bonds is initiated by a petition signed by not less than 25 percent of duly qualified electors. This petition may be waived in a county of 25,000 population or more, whereupon the district school board, or the trustees, or both bodies may initiate the proposal for issuing bonds.

Limitation on issuance of bonds: Serial bonds are required and they must be retired over a maximum of 20 years unless a longer period is specifically approved by the State Board of Education.

Limitations on debt: The Constitution permits the issuance of school bonds in amounts which, together with existing school-bonded indebtedness, do not exceed 20 percent of the non-exempt assessed valuation of the district. However, State Board of Education regulations limit the amount of school-bonded indebtedness to 10 percent of the non-exempt assessed valuation, except with specific approval of the State Board.

Voting requirements: Proposed bond issues must be approved in a special election. A proposed bond issue is approved only when (a) a majority of all qualified electors who are freeholders cast a ballot, and (b) when a majority of the ballots cast are in favor of the issue.

Approval and sale of bonds: All applications for bond issues are checked by the State Department of Education prior to the bond sale to assure that the debt limit will not be exceeded and that the schedule of maturities has been properly prepared. Annual payments required for all indebtedness must be approximately equal. The district must show that the amount proposed is needed for the proposed project and cannot be provided in any other manner. The proposal for a bond issue must be approved by the State Commissioner of Education before the county board approves any petition of the special tax school district for the bond issue.

State Department of Education advisory assistance with school bond sales is provided on request. Bonds are frequently sold on a yield basis, although a fixed interest basis is permitted by law. They need not be offered to a State agency. If the interest exceeds 2.99 percent, bonds are required to be callable after 10 years. Proceeds from bond sales may be invested when their use is not immediately required.

Bond records, tax levies, and payments: The local school board keeps all school district bond records; is responsible for repayment of the bonds; and is required to certify to the board of county commissioners the necessary levies to retire the bonds.

Levies for debt service are in addition to the 20-mill constitutional limit on the non-exempt assessed valuation of taxable property for current school expenditures and must be of sufficient amount to cover the cost for debt service. The millage levy required to service all outstanding bonds may not exceed 6 mills except with specific approval of the State Board of Education.

Short-term indebtedness: By statute, county boards may borrow up to 80 percent of the revenue anticipated from county or district taxes at a rate of interest not exceeding 6 percent per annum as a current loan repayable in the same fiscal year. If at any time any current indebtedness is incurred which cannot be repaid during the year because anticipated revenues are less than the amount budgeted, such indebtedness becomes a prior claim to funds for the next year.

Loans for capital outlay purposes may be incurred for a period of 1 year only; however, any such obligation may be extended from year to year with the consent of the lender for a period not to exceed 4 years. The rate of interest on such loans may not exceed 6 percent per annum. Such loans must be approved by the State Board of Education and may not exceed 25 percent of local tax revenues received in the previous year. The State Board, by law, cannot approve

Provisions for School Indebtedness--continued

more than two such loans for any county during any one year. Funds required for payment of such obligations maturing during the year are required by law to be budgeted from current revenue during the period of the loan.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Budget forms for all school systems are prescribed by the State Board of Education and provided by the State. Counties may, however, use any supplementary forms they find desirable. The school fiscal year in all local school systems covers the period from July 1 through June 30.

Local approval: School budgets are prepared by the county superintendent and submitted to the local board on or before July 15. Before final approval can be made, the county board must have a summary of the tentatively approved budget and the proposed millage levies advertised. The advertisement of the budget must include the date, before August 1, on which a public hearing will be held concerning the tentatively approved budget. Junior college budgets are prepared by the junior college presidents and recommended to the district boards of trustees. Upon approval of a budget by the board of trustees, the budget is submitted to a budget review board composed of 5 members of the board (s) of the counties participating in the support of a junior college. Budgets are submitted to the State Commissioner by August 1. If the budget review board disapproves the budget, however, the due date is extended to August 10. In 2 of the 67 counties, approval of a county budget commission is required by local legislative action, but this is not necessary in the other counties. Tax levies for school purposes, as certified by the county school boards, must be made by the board of county commissioners provided they are within constitutional limits. In counties having a county budget commission, this body determines the tax levies for school purposes which will be certified to the board of county commissioners.

State review or approval: On or before August 1 of each year, each county's annual school budget is required by law to be submitted to the State Commissioner of Education for review. The State Board of Education prescribes all necessary regulations to guide the State Commissioner in examining budgets submitted by the county boards. The State Commissioner has authority to require budgets to be revised only when they have not been correctly prepared; that is, when the proper form has not been used, the estimates are incorrect, budgets out of balance, proposed expenditures are illegal, or when tax levies proposed are not adequate to assure the proper maintenance and support of the public schools as prescribed by law.

If the tax levy proposed is not adequate, the State Commissioner of Education certifies the levy which is required, provided such levy does not exceed 10 mills which is the maximum authorized by the Constitution for the county tax levy, to the county board.

The county board must amend its proposed budget and require the proper levy to be made in accordance with the direction of the State Commissioner. The State Commissioner may recommend additional changes in budgets, but has no authority to require such changes except where expenditures of funds received from State sources are concerned. Severe penalties are prescribed for the county board officials who authorize expenditures exceeding the appropriations in the official budget.

Provisions for School Audits

School audits for all local school systems are made annually after the close of the fiscal year, by the Auditor General. There is no charge made against the local school systems for making these audits. A copy of the audit report is submitted to the Governor, the Legislative Auditing Committee, the District School Superintendent, the district school board, the State Comptroller, and the State Commissioner of Education. Any illegal expenditure or expenditures in excess of appropriations in the official budget found as a result of an audit must be reported to the Governor, the State Comptroller, and the Legislative Auditing Committee. Local school officials are subject to removal from office by the Governor for violation of the law and are personally liable for any amounts improperly expended.

GEORGIA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

GEORGIA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Oscar H. Joiner, Director, Financial Services, Georgia State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 64 percent of the non-Federal revenue for public elementary and secondary schools is provided by the State.

2. All of the State support for public education is derived from legislative appropriation. There are no State taxes earmarked for the schools and there is no permanent endowment fund income.

3. Eighty percent of the State grants for public schools is allocated for foundation program support for teachers' salaries, salaries of professional leadership personnel, the cost of maintenance, operation and sick leave, purchase of free textbooks, purchase of school library materials, the added cost of operating five isolated schools, pupil transportation, travel expense of personnel authorized to travel, and the program of special education.

4. Allowances for teachers' salaries range from $5,600 to $7,560 for teachers with a bachelor's degree; from $6,328 to $8,680 for teachers with a master's degree; from $7,644 to $9,800 for teachers with a 6-year certificate; and from $8,456 to $10,920 for teachers with a 7-year certificate.

5. Purposes supported by other State distributions include capital outlay, vocational education, instructional assistance program, school lunch program, state-wide testing, guidance, counseling and testing, psychological services, educational services across system lines, in-service grants, teacher scholarships, trainable mentally retarded grants, multiple handicapped grants, severely emotionally disturbed grants, educational television, supervising teacher program, and State-operated institutions for the blind, deaf, and youthful public offenders.

LOCAL SUPPORT

1. Local revenue for school support is derived mainly from property taxes.

2. There are no separate nonproperty taxes authorized for local public school support.

3. Required local support for participation in the State Foundation Program is determined by multiplying .29 of 1 percent times the total equalized adjusted school property tax digest in each school system. The law requires additional adjustments for city systems through the school year 1974-75. (Detailed information concerning the formula for determining local support is included in this report in the information on funds for the Minimum Foundation Program.)

4. Each county is required by the Constitution to levy a tax of 5 mills for public school support. A maximum levy of 20 mills may be imposed by action of the county board of education.

5. Tax rates in excess of the limits specified may be levied when voted by popular election.

6. School bonds may be issued up to 7 percent of the assessed valuation of taxable property in the district.

7. Taxes for debt service are excluded from levy limitations otherwise specified.

STATE SUPPORT, 1971-72 GEORGIA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances

Total	$425,736,319	(100%)
FOUNDATION PROGRAM FUND (Current expense grades 1-12) (Act 523, Acts of 1964)	$340,252,578	(79.9%)

Teachers' salaries .... Scheduled amount per employed teacher allotted:

Teacher Training (71-72 sched.)	Amount with Minimum experience	Maximum experience
Bachelor's degree	$5,600	$7,560
Master's degree	6,328	8,680
6-yr. certificate	7,644	9,800
7-yr. certificate	8,456	10,920

Schedule as adopted by the State Board of Education.

eacher units

Grades 4-7......................	1-teacher unit for each 28 pupils in ADA
Grades 1-3 and 8-12............	1-teacher unit for each 25 pupils in ADA
Special Education..............	Additional teacher units allotted.
Professional Leadership Personnel (Curriculum directors, visiting teachers, principals, librarians, counselors, etc.)..	1-teacher unit for each 200 pupils in ADA
Kindergarten...................	Program permitted but not included in the financial structure.

upil transportation............ Funds are allotted in accordance with a schedule of standard transportation costs developed to assure economical and efficient pupil transportation programs. The minimum program for each county is defined in terms of the number of buses needed and the annual mileage required to operate the minimum service. Financing of the minimum program is based on standard costs developed in the areas of driver benefits, bus replacement and other maintenance and operating expenses. Driver salaries and related costs are based on a minimum salary of $1,875 annually. Other standard operating costs are developed from the experience data provided by local administrative units.

State and local shares for support of the calculated State program allowance

State share: Calculated amount minus local share.

Local share: Under the MFPE Law the local systems of the State absorb a portion of the cost of the Foundation Program for Education. Each system in Georgia shares in the cost of the Foundation Program of Education according to the following formula as revised and adopted by the 1971 General Assembly: Effective for the 1971-72 school year, beginning July 1, 1971, and for each year thereafter, the amount of local funds to be raised by each local unit of administration shall be calculated by multiplying the formula .29 of 1 percent times the following: (1) For a county school system, the formula shall be applied to the total equalized adjusted school property tax digest of the county. (2) For a county with independent school systems located within the county or counties, the formula shall be applied to the total equalized adjusted school property tax digest of the county or counties. For the 1971-72 and the 1972-73 school years, this amount shall be prorated between the systems by adding 33-1/3 percent to the county equalized adjusted school property tax digest of all property located within the territory of the independent school systems. For the 1973-74 school year, the percent will be reduced from 33-1/3 to 22-2/9 and for the 1974-75 school year, the percent will be reduced to 11-1/9. Thereafter, this amount shall be prorated between the systems by using the actual equalized adjusted school property tax digest of each system within the county. (3) The amounts determined in accordance with this formula shall be the amounts to be raised by each local unit of administration in support of the Minimum Foundation Program of Education. The amount of the costs of the Minimum Foundation Program of Education remaining after deducting the total amount to be raised by all local units of administration shall be paid entirely from State funds. The State Auditor

Requirements for and extent of school district participation and schedule for distributing State aid

Requirements for participation: Operate schools 180 days and comply with State salary schedule requirements. Teachers must work an additional 10 days for pre-planning, post-planning, and in-service. Funds provided must be spent for the purposes specified. Transportation must be provided in accordance with regulations.

Extent of participation: All districts.

Distributed: Monthly.

GEORGIA

STATE SUPPORT, 1971-72

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
FOUNDATION PROGRAM FUND (Continued)	shall furnish to the State Board of Education the sums of the current equalized adjusted school property tax digests. For the 1971-72 year Foundation items amount to $418,835,032. Required local effort for all systems is .29 of 1 percent times the total State adjusted 100 percent digest or $78,582,454. This leaves a balance of $340,252,578 to be paid from State funds.	
Maintenance, Operation and Sick Leave.................... $1,250 for each teacher unit allotted for grades 1-12 and Special Education.		
Travel Expense.................... Funds are allotted to systems for personnel authorized for travel on the basis of $750 maximum for personnel on a ten-month contract and $900 maximum for personnel on a twelve-month contract. Funds are requisitioned for actual expenditures not to exceed maximum.		
Isolated Schools................ Isolated schools approved by the State Board of Education according to State Board policies receive additional teacher units and maintenance, operation and sick leave funds.		
Textbooks Grades 1-12...................... $5.15 per pupil cumulative enrollment as of eighth school month. An additional allotment of $14.97 per pupil enrolled increase over previous year.		Requirements for participation: Textbooks--Use books from a multiple State-adopted list; request books as needed; and file required reports on textbooks.
Library Materials Grades 1-12...................... $1.32 per pupil cumulative enrollment as of eighth school month.		Requirements for participation: Library Materials--Order materials from approved sources. Distribution for Textbooks and Library Materials: In 3 payments. 80 percent of estimated cumulative enrollment allotment paid in July and August. Final adjustment payment made in June bringing allotment up to 100 percent of eighth-month cumulative enrollment.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
CAPITAL OUTLAY FUND (Ch. 32-613, Acts of 1949, pp. 677-78, Acts of 1951, pp. 753-54, Acts of 1962, H.B. 1214, Acts of 1964, Act 523)	$ 27,221,141 (6.4%)		
Capital outlay..................	The 1971 session of the General Assembly appropriated $2,000,000 in capital outlay funds for fiscal year 1972 which when capitalized will amount to approximately $25,000,000 for schoolhouse construction purposes. In addition, the General Assembly appropriated $616,690 for capital outlay funds for direct grants. The $616,690 will be for direct payments to eligible systems which have earnings of less than $200,000. Allocations totaling approximately $25,616,690 will be allotted to local school systems for increase in ADA and for consolidation of schools. The remaining capital outlay funds of $24,604,451 ($27,221,141 - $2,616,690) will be used to pay commitments of previous years.	State share: Funds allotted to eligible systems on the basis of 75 square feet per pupil increase in average daily attendance since the last capital outlay allotment made to individual systems. Square feet allotments for consolidation made on a graduated scale formula. Allocations per square foot is $17.50 plus 6 percent for architect fees and 4 percent for contingencies. Local share: No required amount on specific projects, however, system must meet all State requirements which includes having outstanding local school bonds.	Requirements for participation: All school systems must have a comprehensive study within two years preceding an application for capital outlay funds. Local boards of education, in making application for State capital outlay funds, must follow the recommendations of the study team. The system must have outstanding bonds equal to or exceeding an amount which would require a one mill levy on the most recent digest over a twenty-year period at current interest rates. Projects are restricted to classrooms, library rooms, sanitary facilities, lunchroom facilities, assembly facilities when used in conjunction with lunchrooms, mechanical improvements, and the equipment necessary for the projects. Extent of participation: Eligible districts. Distributed: On a project basis, when funds are appropriated.
VOCATIONAL EDUCATION FUND (Ch. 32, Secs. 2201-23, and Secs. 2301a-08a)	$ 14,910,003 (3.5%)		
Vocational education...........	Amount for supplementing vocational teachers' salaries of Agriculture, Business Education, Distributive Education, Trade and Industry, Home Economics, Cooperative Vocational Programs, and Exemplary Programs.	State share: 100 percent of allowable amount as fund allows. Federal funds for vocational education are in addition to the State amount. Local share: All costs not covered by reimbursement.	Requirements for participation: Provide a program which meets standards prescribed by the State vocational education plan. Extent of participation: 98 percent of the districts. Distributed: Monthly as reimbursement for local program expenses.

GEORGIA

STATE SUPPORT, 1971-72

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
OTHER STATE FUNDS (Act 523, Acts of 1964, and other legal citations too numerous to list)	$ 43,352,597 (10.2%)		
Other State Funds................	Funds for instructional assistance program, school lunch program, statewide testing, guidance, counseling and testing, psychological services, educational services across system lines, in-service grants, teacher scholarships, trainable mentally retarded grants, multiple handicapped grants, severely emotionally disturbed grants, educational television, supervising teacher program, and State operated institutions for the blind, deaf, and youthful public offenders. All program funds listed do not go directly to local school systems; however, public elementary and secondary education benefit from all programs listed.	State share: 100 percent of allowable amount as funds allow. Local share: No local support necessary for participation in most programs; however, all costs for programs in many systems are not covered by State funds.	Requirements for participation: Provide a program which meets standards prescribed by State Board of Education. Extent of participation: Varies due to type of program. Majority of programs available to all districts. Distributed: Varies with type of program from monthly to annually.

GEORGIA

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Assessed valuations for county systems are determined by county assessors who are appointed by the county commissioners. For independent city school systems, property is assessed by both county and city assessors; however, the county assessment is used as the basis for computing State aid to city systems. County commissioners or similar officials have no authority to change assessments. There is no plan for applying assessment standards among the counties and no provision for the establishment of assessment ratios although State law requires that property be assessed at 100 percent of fair market value. However, in the implementation of Act 523, 1964, it was learned that in many systems, county and independent, property was being assessed at a very low value. Since the major factor in required local support is an equalized tax digest, over three-fourths of the districts in the State have had professional tax re-evaluation studies.

Local districts: The State Constitution requires each county to levy a tax of at least 5 mills on county assessment valuations for the support of schools and permits a maximum levy of 20 mills. The 20-mill levy may be exceeded by a referendum in which a majority vote of the electors approve the increase in the maximum levy. Tax rates within these limits are established by the county school board without a vote of the people. The State Supreme Court has ruled that property must be assessed at fair market value. The General Assembly has provided legislation which requires property be assessed at a fair market value in 1967.

Other school funds are authorized for city school systems which operate independently of the counties in which they are located. These city systems are fiscally dependent upon the city council. Tax levies for independent city school systems are authorized by the city charters and generally range from 5 to 20 mills, exclusive of debt service. These city tax limits may be removed by majority vote of the electors at a special election. There is no provision for a school tax levy for the purpose of accumulating a school building or capital outlay fund.

Provisions for School Indebtedness

Initiating bond issues: Bond issues are initiated by resolution of the county board of education or for independent school systems by the city council. Bonds may be issued for building and equipping schoolhouses and purchasing school sites.

Limitations on issuance of bonds: All bonds are required to be serial in mature. They cannot be issued for a period of more than 30 years, and usually do not exceed 20 years.

Limitations on debt: As provided in the State Constitution, county school boards or city councils may issue bonds for school construction purposes up to 7 percent of the local assessed valuation. No State agency is authorized to fix the debt limit or approve a higher limit in special cases.

Voting requirements: All bond issues must be approved at a special election by a vote of the majority of the qualified electors participating in the election. There are no property qualifications for participation in a school election.

Approval and sale of bonds: When bonds have been properly voted and validated, no further local or State approval is required. When bonds are sold, the city or county issuing the bonds fixes the interest rate. This rate is usually set as low as possible for the bonds to sell at par. Funds from the sale of bonds must be kept in a separate account and can be used only for the purpose voted. It is not required that bonds first be offered to a State agency, nor does the State assist with the sale of bonds. Funds from the sale of bonds not immediately required may be invested.

Bond records, tax levies, and payments: County fiscal authorities must levy rates for bonded debt as necessary to meet current payments of principal and interest on bonds. All bond records for county school systems are kept by the school authorities, who determine the necessary levies for retirement of the indebtedness. Bond records for city systems are kept by the city clerk, and the council is required to determine the necessary levies for city systems. Debt service levies are outside the 20-mill limitation for maintenance and operation of schools.

Short-term indebtedness: Boards of education are permitted to borrow funds for the payment of teachers' salaries and other operating costs of the schools, provided the sum of the current loan does not exceed 75 percent of the local revenue of the school system. All loans must be repaid within the current calendar year.

BUDGETS AND AUDITS

Provision for School Budgets (Act 523, 1964)

Budget forms: School budget forms for all local school units of administration are prescribed and furnished by the State Department of Education. The fiscal year for schools begins on July 1 and ends on June 30.

Local approval: School budgets are prepared by the county and city superintendents prior to June 1 for approval by their boards. No other county agency is authorized to review or approve the budgets of county school systems. All city school systems which are not fiscally independent are required to submit their budgets to the city council or city commission for approval. Budgets must be advertised in the official organ of the district prior to their final adoption.

State review of approval: All local schools budgets are submitted by June 1 to the State Department of Education for review and approval and to assure that all budgets are properly prepared in accordance with provisions of law and State Board of Education policy.

Provisions for School Audits

Annual audits, made by the State Department of Audits, are required of all school districts. Copies of the audits are furnished State and local school authorities. The cost of these audits is a State expense and is not charged to the local school administrative units.

Act 523, 1964, Section 44 provides that the State Department of Education shall establish a Financial Review Section for the purpose of assisting local system fiscal officers in the preparation of budgets according to the law. This Section also reviews all budgets for the purpose of ascertaining their compliance with all laws and State Board of Education regulations and policies pertaining to budgets. These functions are authorized by Act 523, 1964, Sections 38 through 45.

HAWAII

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

Selected Program Facts

1. Hawaii is unique among the fifty States in that it is the only State which has a fully State-funded and-operated school system. It has no local tax revenue for schools and no local boards of education responsible for their operation.

2. All school functions are centralized at the State level and administered through the Department of Education which is headed by the eleven-member elected Board of Education. One board member is elected from each of the administrative school districts of Honolulu, Central Oahu, Leeward Oahu, Windward Oahu, Maui, and Raui; and three from Oahu at large.

   The Chief Executive Officer of the school system is the State Superintendent of Education who is appointed by the Board of Education and serves at its pleasure.

   Under the State Superintendent of Education are seven district superintendents--each directly responsible for the schools of his district. The seven administrative school board districts of the Department of Education are:

   First District - Island of Hawaii
   Second District - Islands of Maui, Molokai and Lunai
   Third District - City of Honolulu
   Fourth District - Central Oahu
   Fifth District - Leeward Oahu
   Sixth District - Windward Oahu
   Seventh District - Islands of Kaui and Nichau

3. The State school system includes 211 regular schools and 8 special schools which together enroll approximately 181,000 students in kindergarten through grade 12. These schools are scattered throughout the seven principal islands of the Hawaiian Archipelago.

4. The revenues for the operation of the public schools are appropriated by the legislature along with the designation of authorized positions. Funds for current operating costs are appropriated from the State general fund, from the special funds (lunch fees and adult education fees) or from available Federal funds. Hawaii's Sixth Legislature Appropriation Act 68-SL '71 differed from past appropriations acts by:

   a. Covering two fiscal years (FY 1971-72 and FY 1972-73) instead of one fiscal year.

   b. Focusing on twelve subject matter programs in the areas of intellectual learnings (mathematics, language arts, science, and foreign language), social-personal learnings (health, music, art, physical education, social studies, and student affairs), and economic learnings (vocational-technical and practical arts), as well as three administration programs, six 'support' programs and two 'subsidy' programs.

   c. Integrating the operating and capital requirements for each program as well as appropriating capital improvements for each specific school project.

   d. Eliminating the "non-lapse" provision enjoyed in prior years and utilized to help support enrichment programs such as the Hawaii English Program which provides for installing language systems in two classes each in grades 4, 5, and 6 in 160 schools and for expanding language skills in 99 kindergarten through 2 three-on-two classes and 80 self-contained classrooms and in-service training.

5. The appropriations for FY 1971-72 are summarized as follows:

Operations

State Administration	$ 590,508
Staff Services	2,898,010
Curriculum and Development and Evaluation	3,344,348
District Administration	4,148,466
Hawaii Curriculum Center	970,265
Regular Education	113,612,850
Special School Programs	8,377,100
School Lunch Services	14,182,602
Custodial Services	5,619,244
Adult Education	1,243,480
Public Library Services	5,228,405
Subsidies to Private Agencies	396,000
Driver Education Program	145,400
Repairs and Maintenance	6,234,041*
Student Transportation	3,208,703*
Sub Total	$170,199,422

Capital Improvements

Schools	$ 23,572,900
School Lunch Services	2,829,000
Sub Total	$ 26,401,900

Specific Authorizations for Capital Improvements

Schools	$ 23,613,000
Public Libraries	2,193,000
Sub Total	$ 52,207,900
TOTAL	$222,407,322

*Budgeted under the Department of Accounting and General Services--all other appropriations shown are budgeted under the Department of Education.

In addition to appropriated funds there were in the 1971-72 fiscal year certain non-appropriated funds such as:

5.--continued

Summer School Funds
Hawaiian Homes Project Funds
Progressive Neighborhood Area Funds
Model Cities Program Funds
Student Activity Related Funds

6. The biennial public school (lower education) operating and capital improvement budgets are prepared for the Department of Education in the form agreed upon with the Department of Budget and Finance and by a process that involves budget requests by each school, administrative district superintendent and staff, and the State administrative staff. Joint budget review hearings are held with State board members, Department of Education administrators and Department of Accounts and General Services representatives participating.

In these hearings educational needs and budget requirements for the schools of each of the administrative districts and of the State as a whole are publicly aired. After final review and approval by the Board of Education and the Governor's staff the biennial budgets for public (lower) education are presented to the legislature as part of the Governor's Executive Budget.

7. The Department of Education is responsible for the resource allocation of funds and positions to the seven administrative districts and for Statewide services in line with the appropriations and the policies of the Board of Education. The administrative districts in turn allocate resources to individual schools. The resource allocations to districts are based on such need factors as number of pupils enrolled, changes in enrollment, isolation factors, program growth or improvement needs, and past experience in resource allocation. The allocation process involves discussion and negotiations among the administrators of the seven administrative districts and between the district administrators and the Department of Education administrators.

IDAHO

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

IDAHO PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Garth O. Reid, Program Administrator, Finance, Idaho Department of Education served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT *

1. Approximately 47 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.

2. Income from permanent endowment earnings accounts for about 6 percent of the State grant money. Ninety-two percent is provided through appropriation. About 2 percent is obtained from revenue earmarked for the public schools.

3. State grants for the public schools are determined through the Foundation Education and Transportation Program and the Vocational Education Program. Apportionments are made from the Public School Income Fund and appropriations for vocational education.

4. Foundation education and transportation support account for over 99 percent of the State grants for public school education and provide assistance for teachers' salaries, special education, pupil transportation, and other current expenses.

5. Ninety percent of the difference between the allowable cost of pupil transportation and the yield of a 1-mill levy on the adjusted assessed valuation determines the amount of the transportation assistance. The amount is limited to $10 per month per pupil transported. With State Board of Education approval this amount may be increased to $12.50.

LOCAL SUPPORT

1. Property taxes account for about 87 percent of the county and local revenue for school support, exclusive of school lunch receipts.

2. There are no nonproperty taxes authorized specifically for the support of public education. However, some revenue is obtained from State sales tax, court fines, forfeitures, and other sources.

3. A county 8-mill property tax on the adjusted assessed valuation is required to be levied in each of the counties. The required local effort for school districts to participate in the Foundation Education and Transportation Program is 25 mills on the assessed valuation.

4. Local school districts are required to pay the cost of pupil transportation up to the amount derived from a 1-mill property tax plus 10 percent of the allowable transportation cost.

5. Local district property taxes are limited to a 30-mill levy for general school purposes in all districts. Additional levies must be approved by a majority in elections for this purpose. Districts may also levy a 15-mill tax for a reserve fund for school facilities, including transportation equipment pursuant to a 2/3 majority of school electors.

6. School district indebtedness may not exceed 15 percent of the assessed valuation of taxable property except elementary districts with a limit of 10 percent.

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* State Support for Retirement, Social Security, and Driver Training is not included.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total $48,263,000 (100.0%)		
FOUNDATION EDUCATION AND TRANSPORTATION PROGRAM (Secs. 33-1001 to 33-1016, Idaho Code as amended through 1972) (Current Expense, grades 1-12) (Est.) $47,888,000 (99.2%)		
Program calculation.............. Educational allowance, transportation allowance and Ancillary Personnel allowance equals the total Foundation Program. The program is calculated in the following manner: (1) Total Foundation Education portion funds equal the sum of the equalization levy of 22 mills times the total State adjusted assessed valuation of property, an 8-mill county levy on adjusted assessed valuation and the State appropriation plus miscellaneous State funds, minus the foundation transportation and Ancillary Personnel allowance portion. (2) This sum is then divided by the total weighted State average daily attendance (WADA) to determine the State average cost factor per student. (3) The State average cost factor per student is then multiplied by the district WADA to determine the total program costs for each district.	State share: $\frac{\text{Total distribution funds - transportation portion}}{\text{State total WADA}} \times$ (District WADA) - District required levy = State share. Local share: The required local effort for school districts to participate in the Foundation Education and Transportation Program is 22 mills on the adjusted assessed valuation. An 8-mill county tax on adjusted assessed valuation is also required but is not counted toward the district share. The district's State and county apportionments equal the product of the weighted average daily attendance minus the amount provided by 22 mills on the adjusted assessed valuation.	Requirements for participation: Schools must meet State requirements for attendance, length of term, and levy requirements. Counties must levy an 8-mill tax on the adjusted assessed valuation of taxable property for public school support. Extent of participation: 115 school districts. Distributed: For the school year beginning July 1, 1972, State apportionments will be based on weighted average daily attendance for the current year. State funds will be distributed during July, October, February, May and July.
WADA calculation.................. The Foundation Education portion of this program provides for weighting average daily attendance by sparsity factors, secondary school cost factor, and for handicapped children. In determining the districts' weighted ADA, a separate attendance unit may be counted for each elementary school located 10 or more miles from another elementary school within the district and a separate secondary school attendance unit may be counted if a secondary school is located 15 or more miles from another secondary school within the district.		

Provisions for the distribution of State funds for the public schools and for program participation

<table>
<tr><th colspan="2">Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td colspan="2">FOUNDATION EDUCATION AND TRANSPORTATION PROGRAM--continued</td><td></td><td></td></tr>
<tr><td></td><td>Sparsity factors for weighting elementary and secondary ADA are listed below:
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<tr><td>300 and over</td><td>ADA</td><td>1.00</td></tr>
<tr><td>200 to 299</td><td>"</td><td>1.10</td></tr>
<tr><td>150 to 100</td><td>"</td><td>1.15</td></tr>
<tr><td>100 to 149</td><td>"</td><td>1.20</td></tr>
<tr><td>50 to 99</td><td>"</td><td>1.25</td></tr>
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<tr><td>5 to 19
to count as 25</td><td></td><td></td></tr>
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<table>
<tr><th colspan="3">Secondary Grades Sparsity Factor</th></tr>
<tr><td>750 and over</td><td>ADA</td><td>1.00</td></tr>
<tr><td>500 to 749</td><td>"</td><td>1.10</td></tr>
<tr><td>400 to 499</td><td>"</td><td>1.20</td></tr>
<tr><td>300 to 399</td><td>"</td><td>1.25</td></tr>
<tr><td>200 to 299</td><td>"</td><td>1.40</td></tr>
<tr><td>100 to 199</td><td>"</td><td>1.50</td></tr>
<tr><td>0 to 99</td><td>"</td><td>1.70</td></tr>
</table>
In addition the ADA of secondary grade pupils is weighted by a factor of .30. Handicapped children are weighted by multiplying 300 percent times the ADA of eligible handicapped pupils.</td><td></td><td></td></tr>
<tr><td>Transportation allowance.........</td><td>Allowable transporation costs minus 1 mill on adjusted annual valuation times 90 percent equals State and county transportation allowance (Not to exceed $10 per month per child transported.)</td><td>Local share: 1 mill on adjusted assessed valuation, plus 10 percent after millage has been deducted.</td><td></td></tr>
<tr><td>VOCATIONAL EDUCATION FUND
(Secs. 33-2201 to 33-2207.
Idaho Code of 1965 as amended)</td><td>$ 375,000 (0.8%)</td><td></td><td></td></tr>
<tr><td></td><td>This fund is used on a reimbursement basis to help districts meet approved expense of their vocational education programs.</td><td>Local share: District and Federal funds are used in addition for the total Vocational Education Program.</td><td>Requirements for participation: Districts must maintain vocational departments that meet established standards and observe State regulations and requirements.
Extent of participation: 98 school districts.
Distributed: Reimbursement made semiannually.</td></tr>
</table>

IDAHO

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations for purposes of property tax levies are established by elected county assessors. The 1969 Idaho Legislature provided that all property is to be assessed at 20 percent of full cash value by January 1, 1982. Assessments are reviewed by the board of county commissioners acting as the county board of equalization and are subject to review by the State Tax Commission. In addition, this latter body sets valuations for railroads, pipelines, and public utilities for all counties in the State.

Intermediate districts: A county levy of 8 mills on the adjusted assessed valuation is authorized for general school purposes in each county. This tax is levied by the county board of commissioners without electoral approval and is required for all counties. Some additional revenues are received into the county school fund from court fines, forfeitures and other sources.

Local districts: All school districts may levy 30 mills for maintenance and operation by trustees after a budget hearing. A minimum levy of 25 mills is required for participation in the Foundation Educational Program. Levies in excess of 30 mills must have a majority vote of school electors in special election.

The 1953 Legislature enacted the school plant facilities reserve statute, subsequently amended, which makes it possible for a school district board of trustees to propose and submit to a special election a special tax levy of up to 15 mills for a period of not more than 10 years on the assessed valuation of the district on the basis of one election. The proceeds of the levy are to be placed in the school district school plant facilities reserve fund and are to be used only for the purchase of sites, construction of new buildings, enlargement of existing buildings, building equipment, and school transportation equipment. In order for this election to carry, it must receive a two-thirds majority of the votes cast.

Provisions for School Indebtedness

Initiating bond issues: Proposals to issue bonds to acquire school sites, to build, add to, or repair school buildings, to furnish or equip buildings, or to purchase school buses are initiated and issued by the school board.

Limitations on issuance of bonds: School bonds may be issued for a period up to 20 years. The bonds are serial coupon bonds amortized in equal annual installments of interest and principal.

Limitations on debt: As provided by statute, districts, except elementary school districts, may issue bonds so that the total outstanding amount does not exceed 15 percent of assessed valuation. Elementary school districts may not exceed 10 percent of the assessed valuation.

Voting requirements: Proposals to issue bonds must be submitted by the board of trustees to school electors of the district at a special bond election. The proposals must receive a two-thirds majority of the votes cast if the board of trustees is to be authorized to issue and sell the bonds.

Approval and sale of bonds: Bond issues must have approval of the State Superintendent of Public Instruction. The plan and form of amortization of all school bonds issued in the State must have approval of the State Superintendent of Public Instruction. All bonds must be offered at a sealed bid sale and must be sold at par or better. Coupon rates may be set in the terms of the bid, but they are usually sold on a yield basis. The State of Idaho, for constitutionally created trust funds, has preferential right to purchase school bonds from the districts. The State does not assist with the sale of bonds. Funds from the sale of bonds, not immediately required, may be invested.

Bond records, tax levies, and payments: When school bonds have been issued, levies must be made by the district through the county commissioners, as necessary to meet bonds and interest coupons falling due within the year. Tax levies for debt service are over and above those for the current school program. Payment of the bonds is the responsibility of the school district treasurer.

Short-term indebtedness: Tax anticipation notes may be issued for resolution or registered warrants may be issued up to 95 percent of anticipated revenue

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: By legislative enactment, each school district prepares its own budget on forms prescribed by the State Board of Education. These forms are used for all types of districts. The fiscal year is from July 1 to June 30.

Local approval: School districts have full responsibility for preparing budgets within statutory limits. In all school districts not later than 30 days prior to its annual meeting, the Board of Trustees shall have called and caused to be held a public hearing of the budget. The annual meeting of all districts is the date of its regular June meeting. The Board of Trustees may review and adjust budgets periodically. In addition, the Board of Trustees must publish a summary statement of the budget for the ensuing year with corresponding budget items for the current year.

State review or approval: The State Board of Education has the authority to prescribe forms. Copies of school district budgets must be filed, for all districts, with the State Board of Education. The State Board of Education has no statutory authority relative to these budgets, other than to file and audit them.

Provisions for School Audits

A full and complete audit of all of the financial operations of district and student body funds must be made annually (except in elementary districts where the audit must be made at least once every two years) according to specifications of the Bureau of Public Accounts. A report of such audit shall be filed with the clerk of the district, and signed duplicate copies are filed with the Bureau of Public Accounts and with the State Board of Education. The audits shall be made by a public accountant or a certified public accountant.

ILLINOIS

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

ILLINOIS PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Dr. Fred Bradshaw, Director of Finance Claims, Office of the Illinois Superintendent of Public Instruction, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Except for less than .1 of 1 percent of the total amount of State money distributed to the districts, which is derived from income earned by permanent school endowments, all State support is provided through legislative appropriation. One-fourth of the State's share of the Retailer's Occupation and Use Tax, the so-called Sales Tax, is earmarked for the Common School Fund. In addition, a portion of the driver's license fees goes to the Driver Education fund.

2. The Distributive Fund, which is a major portion of the Common School Fund, includes Special Equalization Aid, General Aid, Summer School, and State Impaction. Other Common School Fund Claims include Supervisory Expense Fund, Orphanages and Children's Homes, State Owned Housing, and Tax Equivalent Grants.

3. The "Special Equalization Aid Portion" of the Common School Fund provides a foundation support level of $520 per weighted average daily attendance, WADA, pupil. ADA for grades 9-12 pupils is weighted 1.25. A density bonus is provided to districts with 10,000 or more WADA.

4. Categorical State Grant Distributions account for the remaining State Support and provides assistance in the following areas: (a) Categorical Appropriations for State Distribution through the Office of the Superintendent of Public Instruction include Pupil Transportation (Regular and Vocational Education), Chicago Parental Schools, Free Lunches and Breakfasts, Driver Education, Special Education, Downstate and Chicago Bilingual Programs, Pre-Apprentice Vocational and Technical Programs, Gifted Children Programs, Deaf Center - Special Education Facility, Elementary and Secondary Nonpublic Study Commission, Hearing and Administrative Expenses of Multi-County Educational Service Regions, Planning Regional Programs

LOCAL SUPPORT

1. All local support for the public schools is derived from taxes levied on the locally assessed valuation of taxable property as equalized by State assessment ratios. This ratio is 55 percent of the market value of the taxable property.

2. No nonproperty taxes are authorized to be levied for the support of public elementary or high schools.

3. Required minimum Educational Fund tax rates for participation in the Common School Fund Equalization Aid portion are 8.7 mills for each participating elementary and high school district with 100 or more district WADA and 9.0 mills for each district with less than 100 WADA. The qualifying tax rate for each 12-grade district is 10.8 mills.

4. Maximum tax rates for elementary and high school district operating expenses are 9.2 mills by backdoor referendum and 30 mills by vote. Corresponding limits for 12-grade districts are 16.0 and 40.0 mills. *Section 17-2.2 School Code of Illinois.

5. Separate Building Fund tax rates must be authorized for the maintenance and operation of school facilities. The tax limits for elementary and high school district purposes are 2.5 mills by backdoor referendum and 5.5 mills by vote. Corresponding limits for 12-grade districts are 3.75 and 7.5 mills.

6. School district indebtedness for capital outlay is limited to 6 percent (elementary and high school districts) and 12 percent (12-grade districts) of the assessed valuation as adjusted by the State assessment ratios. Certain exceptions are made when a district meets qualifications of the School Building Commission.

7. A school district may levy a separate tax for Transportation. A district is limited to 1.2 mills without vote and 2.0 mills with vote.

ILLINOIS

PUBLIC SCHOOL FINANCE PROGRAM

Selected Program Facts

STATE SUPPORT--continued

4. --continued
for the Deaf, Research of Deaf Children, and (b) Categorical Programs - Pupil Transportation by Mass Transit Districts and/or Metropolitan Bus Companies, Vocational Education, School Building Commission, School Problems Commission, State Property Insurance Study Commission, and Commission on Urban Education.

LOCAL SUPPORT--continued

8. Districts may levy, with vote, a tax not in excess of 1.5 mills for the purpose of conducting summer school programs.

9. Districts may levy, without vote, not in excess of .5 mills for a Working Cash Fund.

10. Districts may levy, without vote, the amount needed for liability insurance and for the Illinois Municipal Retirement Fund.

11. Districts may levy, with vote, the amount needed for the Bond and Interest Fund.

12. Districts may levy, without vote, not in excess of .5 mills to meet State Fire and Safety Code Requirements. Certain qualifications must be met.

13. Elementary and high school districts may levy, without vote, not in excess of .2 mills; 12-grade districts .4 mills for 8 years for Special Education Building purposes. Superintendent of Public Instruction approval is required.

14. Districts may levy the amount needed to pay Junior College tuition charges.

15. Districts may levy, with voter approval, not in excess of .5 mills for Area Vocational Education Buildings.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total	$969,500,886 (100%)		
COMMON SCHOOL FUND	$766,869,648 (79.1%)		
DISTRIBUTIVE FUND	$763,400,000		
Equalization Aid Portion (H.B. 1757, 1971)	($746,650,000)		
Current expenses K-12....	$520 foundation level per best 6 months' WADA, plus 12 percent, of the calculated claim amount, plus a density factor for districts with 10,000 or more WADA. WADA is calculated as follows: Kindergarten pupils are weighted .50, grades 1-8 pupils are weighted 1.00 and grades 9-12 are weighted 1.25.	State share: $520 foundation level minus local district's qualifying amount times 112 percent plus a density bonus for districts with 10,000 or more WADA. Each district receives a general aid (flat grant) amount. This amount is included in the special equalization received by the district. Local share: Elementary and High School districts with 100 or more district WADA are required to levy a qualifying rate of 8.7 mills on the full equalized assessed valuation of the districts. Elementary and High School districts with less than 100 WADA have a qualifying rate of 9.0 mills. Twelve-grade districts have a qualifying rate of 10.8 mills. This qualifying rate times assessed valuation provides the qualifying amount for the district. Local receipts of Public Law 874 impaction monies are not included in this local share of required support.	Requirements for participation: Districts with an ADA of less than 15 for grades K-8 and less than 60 for grades 9-12 must obtain special approval of the State Superintendent and the superintendent of the educational service region. Extent of participation: 1,100 school districts. Distributed: Monthly.
Public school services for pupils enrolled in nonprofit private schools..................	Pupils enrolled in private schools may be concurrently enrolled in a public school (so-called shared-time or dual enrollment) and are counted in determining the amount of State aid for which a district may qualify. Nonpublic pupils may be counted in ADA on the basis of 1/6 ADA for each class hour enrolled in public school.		
General Aid Portion (flat grants)	($ 250,000)		
Current expenses K-12....	Kindergarten is considered as 1/2 day in determining the best 6 month's WADA. Elementary pupil, $53.76; High School pupil, $67.20.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Operate a "recognized school" and file a claim. Extent of participation: 15 school districts. Distributed: Monthly.
Public school services for pupils enrolled in nonprofit private schools..................	Calculation for nonpublic school pupils, same as above.		
Summer School	($11,500,000) Reimbursement is based on clock hours of pupil attendance times 1.25 and related to the general State aid per pupil during the fiscal year that the summer school session ends.	State share: 100 percent of claim amount. Local share: The difference between actual program cost and State reimbursement.	Requirements for participation: Operate an approved summer school program in compliance with the School Code of Illinois. Extent of participation: 210 school districts. Distributed: Annually in December.
State Impaction	($ 5,000,000) Reimbursement per eligible pupil is 1/2 of the difference between the district's per capita tuition charge for the preceding year and the general State aid per ADA pupil.	State share: 100 percent of claim amount. Local share: None.	Requirements for participation: 5 percent or more of the district's pupils must have parents or guardians employed by the State of Illinois. Extent of participation: 100 districts. Distributed: Semiannually in December and June.

STATE SUPPORT, 1971-72

ILLINOIS

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
OTHER COMMON SCHOOL FUND CLAIMS. $ 3,469,648 Supervisory Expense Fund ($ 102,000) (H.B. 1758, 1971)		
Region Supervision Portion................ $1,000 per county.	State share: 100 percent of calculated amount. Local share: All additional costs for providing supervisory service.	Requirements for participation: Region must maintain a regional office and provide supervisory services. Extent of participation: 102 regions.
Orphanages and Children's Homes ($ 2,525,000) (H.B. 1758, 1971)		
Orphanages and Children's Homes.................. Number of such pupils in ADA times the per capita tuition charge in the district.	State share: 100 percent of the per capita tuition charge. Local share: None.	Requirements for participation: Districts must enroll children from orphanages which accept children from the State in general. Extent of participation: 75 school districts. Distributed: Annually in December.
State-Owned Housing Portion ($ 570,000) (H.B. 1758, 1971)		
State-Owned Housing Portion................ Number of such pupils in ADA times the per capita tuition charge in the district.	State share: 100 percent of the per capita tuition. Local share: None.	Requirements for participation: District must enroll children who reside in State-Owned Housing located in the district. Extent of participation: 25 school districts. Distributed: Annually in December.
Tax Equivalent Grants ($ 272,648) (H.B. 1758, 1971)		
	State share: 100 percent of calculated amount. Local share: None, but amount is based on local tax rate levied.	Requirements for participation: District must contain State institutional land which is exempt from local taxation and meet other qualifications. Extent of participation: 9 districts. Distributed: Semi-annually in August and December.

STATE SUPPORT, 1971-72

ILLINOIS

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Categorical State Distributions through the Office of the Superintendent of Public Instruction		
PUPIL TRANSPORTATION FUND (S.B. 1213, 1971) $ 25,661,638 (2.6%) Transportation of regular pupils to and from school (Special Education pupil transportation is included in the Special Education program appropriation.) The State reimburses the cost of transporting eligible pupils (those who reside 1 1/2 miles or more from the attendance center) less a qualifying amount, which is calculated by multiplying the district's equalized or assessed valuation with a qualifying tax rate of .5 mills in Elementary districts; .3 mills in High School districts, and .7 mills in 12-grade districts. The maximum claim amount is limited to the formula, or 4/5's of the allowable cost, whichever is less. The minimum claim is the amount computed in the formula, or $16 multiplied by the number of eligible pupils, whichever is greater. Any district that provides transportation for resident pupils to a vocational school shall be reimbursed 4/5's of the cost by the State, including a reasonable allowance for depreciation.	State share: 100 percent of transportation claim. Local share: All costs not covered by the claim.	Requirements for participation: Buses must be certified; pass all State inspections. Report total enrollment, number of pupils transported, and the cost of pupil transportation. Nonpublic school pupils are afforded transportation services on the same basis as public school pupils. The local school district includes these nonpublic pupils for State reimbursement purposes. Extent of participation: 1,025 districts. Distributed: In September for previous school year expenses.
CHICAGO PARENTAL SCHOOLS (S.B. 1213, 1971) $ 1,546,000 (.2%) Certain Chicago schools are operated 24 hours a day for some truant students. The State appropriates money to pay the operational and/or custodial costs of these schools.	State share: 100 percent of approved amount. Local share: All expenses not covered by reimbursement.	Requirements for participation: Districts must file a claim. Extent of participation: 1 district. Distributed: Annually as reimbursement.
FREE LUNCHES AND BREAKFASTS (S.B. 1213, 1971) $ 8,920,000 (.9%) The State provides supplementary support to the free lunch and free breakfast program for needy pupils.	State share: 15¢ per free lunch and 10¢ per free breakfast. Local share: Difference between meal cost and State and Federal reimbursement.	Requirements for participation: Meet national school lunch requirements. Extent of participation: 1,100 districts.

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
FREE LUNCHES AND BREAKFASTS--continued		Distributed: Monthly as reimbursement.
DRIVER EDUCATION FUND (S.B. 1213, 1971) $ 8,200,000 (.8%) The State reimburses the lesser of per capita cost of $8 for each pupil who successfully completes the classroom instruction, and $32 for each pupil who successfully completes the practice driving.	State share: 100 percent of district claim. Local share: All costs not covered by the State reimbursement.	Requirements for participation: District must provide a course of driver education which has been approved by the State Superintendent of Public Instruction. Extent of participation: 585 school districts. This includes all districts operating high schools in the State. Distributed: Annually as reimbursement.
SPECIAL EDUCATION FOR HANDICAPPED CHILDREN - age range, 3-21 (S.B. 1213, 1971) $ 59,575,000 (6.1%)		
Special Education Program Reimbursement ($ 48,600,000)		
a. Teachers' Salaries-hospital or home instruction................ 1/2 of salary but not more than $800 per pupil, or $5,000 per teacher-lesser amount.	State share: 100 percent of calculated claim amount. Local share: Cost in excess of Special Education support plus general State aid allotment.	Requirements for participation: District must organize and obtain approval of programs in accordance with standards prescribed by the State Superintendent of Public Instruction. All school districts are required to offer Special Education programs. Extent of participation: 1,100 school districts. Distributed: Annually as reimbursement.
b. 4/5 of the cost of transportation of each child		
c. Professional workers other than those in (a), (d), (e), and (f) of this section..................... $5,000		
d. Full-time Special Education Director............... $5,000		
e. School Psychologist......... $5,000		
f. Pre-school deaf or hard of hearing teacher.......... $5,000		
g. Readers for blind or partially seeing children.................... 1/2 of salary, but not more than $400 per pupil.		
h. Non-certified employees..... Lesser amount of 1/2 salary or $2,000.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SPECIAL EDUCATION FOR HANDICAPPED CHILDREN--continued		
Special Education Facilities ($ 6,500,000)		
Qualifying building program for Special Education Facilities.	State share: $1,000 for each professional special education employee in the district. Local share: Revenues from a .2 mills tax effort in elementary and high school districts. .4 mills in 12-grade districts.	Requirements for participation: Districts are required to contribute a proportionate share to a special education building program and have levied a .2 mill or .4 mill tax and there remains a shortage of funds. Extent of participation: 750 school districts and/or cooperative districts. Distributed: Upon approval of program.
Tuition for Special Education Pupils Attending Nonpublic Schools or Special Education Facilities ($ 3,500,000)		
The School Code of Illinois allows a school district to pay the actual cost of tuition charged for handicapped pupils attending nonpublic schools or a Special Education facility, or $2,000 per regular school year, whichever is less. School districts are eligible for State reimbursement for the amount of such payments in excess of $600 per pupil.	State share: The lesser of $2,000 per pupil or the per capita cost less $600. Local share: The difference between the tuition cost and the sum of the State share and general State aid.	Requirements for participation: Nonpublic school program must be in compliance with the appropriate rules and regulations of the Superintendent of Public Instruction. Extent of participation: 300 school districts. Distributed: Annually.
School districts may pay Summer School tuition costs or $500, whichever is less. School districts are eligible for amount of such payments in excess of $100 per pupil.	State share: The lesser of $500 per pupil or the per capita cost less $100. Local share: The difference between the tuition cost and the sum of the State share and Summer School State reimbursement.	Requirements for participation: Nonpublic school program must be in compliance with the appropriate rules and regulations of the Superintendent of Public Instruction. Extent of participation: No school districts during the Summer of 1971 (This is a new reimbursement program). Distributed: Annually.
The Superintendent of Public Instruction may make traineeship or fellowship grants for persons to study in Special Education programs. ($ 500,000)		

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SPECIAL EDUCATION FOR HANDICAPPED CHILDREN--continued		
Special Education Screening ($ 250,000)		
Monies for surveying, developing, and field testing diagnostic screening devices of materials for children with potential learning disabilities.	State share: 100 percent of appropriation. Local share: None.	Requirements for participation: Pilot projects as approved by the Superintenden of Public Instruction. Extent of participation: 10 districts (estimate). Distributed: As pilot programs are approved.
Special Education Equipment (S.B. 28, 1971) ($ 225,000)		
This Act provides funds to purchase, lease, or install special equipment for Special Education pupils to the extent of $25 per pupil.	State share: Up to a maximum of $25 per special education pupil. Local share: None.	Requirements for participation: Equipmen program must be approved by the Superintendent of Public Instruction. Extent of participation: 100 districts (estimate). Distributed: Upon approval of equipment items.
BILINGUAL PROGRAMS IN DISTRICTS WITH LESS THAN 500,000 POPULATION (H.B. 1074, 1971) $ 330,000 (0%)		
Provides reimbursement to school districts that provide programs in a language other than English for those children whose first language is other than English.	State share: 100 percent of the appropriation. Local share: All costs not covered by the State.	Requirements for participation: Program must be approved by the State. Extent of participation: 5 school districts (estimate). Distributed: Annually.
Chicago Bilingual Program (H.B. 1078, 1971) $ 475,000 (.1%)		
	State share: 100 percent of the appropriation. Local share: All costs not covered by the State.	Requirements for participation: Program must be approved by the State. Extent of participation: 1 school district. Distributed: Annually.

STATE SUPPORT, 1971-72 ILLINOIS

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
PRE-APPRENTICE VOCATIONAL-TECHNICAL PROGRAM (H.B. 776, 1971) $ 300,000 (0%) Superintendent of Public Instruction may establish special pre-vocational programs in high schools of above statewide average dropout rate and high youth unemployment.	State share: 100 percent of the appropriation. Local share: All costs not covered by the State.	Requirements for participation: The high school must be so designated by the Superintendent of Public Instruction. Extent of participation: 10 to 20 schools (estimate). Distributed: Annually.
GIFTED PROGRAM (S.B. 1213, 1971) $ 3,500,000 (.4%) Gifted Children Fund-Approved cost of project Reimbursement to school districts....$2,000,000 Area service centers.................$1,000,000 Experimental projects................$ 400,000 Fellowships & contracts.............$ 100,000	State share: Approximately 73 percent of approved amount is reimbursed to the school district. Local share: All costs not covered by the State.	Requirements for participation: Districts must submit projects and receive State approval. Extent of participation: 350 school districts. Distributed: Annually.
ELEMENTARY AND SECONDARY NONPUBLIC STUDY COMMISSION (H.B. 2902, 1971) $ 20,000 (0%)	State share: 100 percent of the appropriation. Local share: None.	Extent of participation: 1 commission.
HEARING AND ADMINISTRATIVE EXPENSES OF MULTI-COUNTY EDUCATIONAL SERVICE REGIONS (S.B. 1213, 1971) $ 43,500 (0%)	State share: 100 percent of the appropriation. Local share: None.	Extent of participation: 20 to 30 regions (estimate).
PLANNING REGIONAL PROGRAMS FOR THE DEAF (S.B. 1213, 1971) $ 100,000 (0%)	State share: 100 percent of the appropriation. Local share: None.	Requirements for partitipation: Be approved by the Superintendent of Public Instruction. Extent of participation: 12 centers. Distributed: Upon program approval.

STATE SUPPORT, 1971-72 ILLINOIS

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
RESEARCH OF METHODS, MATERIALS, AND EVALUATION OF DEAF CHILDREN (S.B. 1213, 1971) $ 100,000 (0%)	State share: 100 percent of the appropriation. Local share: None.	Requirements for participation: Be approved by the Superintendent of Public Instruction. Extent of participation: 12 centers. Distributed: Upon program approval.
Categorical Appropriations for Education		
PUPIL TRANSPORTATION BY MASS TRANSIT COMPANIES AND/OR DISTRICTS $ 7,211,300 (.7%)		
Metropolitan Bus Companies ($ 150,000) (S.B. 848, 1971)	State share: 100 percent of the appropriation. Local share: Individual pupils [illegible] a reduced fare.	Requirements for participation: Buses must be certified; pass all State inspections. Report total enrollment, number of pupils transported, and the cost of pupil transportation. Extent of participation: 1 bus company (estimate). Distributed: In September for previous school year expense.
Mass Transit Districts ($7,061,300) (S.B. 477, 1971) Chicago Transit Authority........... $6,100,000 City of Pekin...................... 24,000 City of Elgin...................... 33,000 Springfield Mass Transit District.................. 71,500 Bi-State Development Authority...... 300,000 Peoria Transit District............. 124,000 Joliet............................. 70,000 Any other eligible District.......... 338,800	State share: 100 percent of the appropriation. Local share: Individual pupils pay a reduced fare.	Requirements for participation: Buses must be certified; pass all State inspections. Report total enrollment, number of pupils transported, and the cost of pupil transportation.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
CATEGORICAL APPROPRIATIONS FOR EDUCATION--continued				
VOCATIONAL EDUCATION	$ 15,700,000	(1.6%)		
Vocational Education and Manpower Training Program..........$14,485,500 Vocational Education and Manpower Training-Administration....$ 754,500 Advisory Council.....................$ 100,000			State share: Amount shown is for program administration and distribution to pay about 40 percent of the cost of approval programs. Local share: All costs not covered by reimbursement.	Requirements for participation: Programs must meet requirements prescribed by the State plan for vocational education. Extent of participation: 640 school districts. Distributed: As reimbursement near the close of the year after applications have been approved.
SCHOOL BUILDING COMMISSION	$ 70,883,800	(7.3%)		
School Building Commission (S.B. 513, 1971) $39,033,800 Administration..($ 3,033,800) Grants..........($36,000,000) School Building Commission (H.B. 2865, 1971) $30,000,000 School Building Commission Emergencies (S.B. 1143, 1971) $ 1,850,000			State share: 100 percent of approved amount is provided. Local share: Districts must repay the full principal of the loan, but no interest is charged.	Requirements for participation: Districts must have reduced its bonding power to less than $5,000 or will have done so by implementing State requirements to participate in the School Building Commission Fund. Extent of participation: 30 school districts are expected to obtain loans in 1971-72. In addition, seven vocational-technical centers are to be constructed. Distributed: To contractors as construction is completed.
SCHOOL PROBLEMS COMMISSION (H.B. 314, 1971)	$ 30,000	(0%)	State share: 100 percent. Local share: None.	Requirements for participation: Code requirements. Extent of participation: 1 commission. Distributed: Monthly.
STATE PROPERTY INSURANCE STUDY COMMISSION (H.B. 1832, 1971)	$ 10,000	(0%)	State share: 100 percent of appropriation. Local share: None.	Extent of participation: 1 commission.
COMMISSION ON URBAN EDUCATION (H.B. 1744, 1971)	$ 25,000	(0%)	State share: 100 percent of appropriation. Local share: None.	Extent of participation: 1 commission.

ILLINOIS

PUBLIC SCHOOL FINANCE PROCP

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Approximately 60 percent of local school district funds are derived from local property taxes. Property assessments for this tax are established by either a board of assessors, a county assessor, or township assessor who may be appointed by the county board of supervisors or elected. Assessment procedures are supervised by State officials, but county officials have authority to change assessments.

A State agency determines ratios of assessed to true value of taxable property to equalize property valuations on a statewide basis. These ratios are used in establishing taxable valuations for required tax levies used in apportioning school aid and to alter the effect of tax rate and school debt limits.

Intermediate districts: No countywide school taxes are authorized and no county funds are collected for school purposes.

Local districts: Local school district revenue is largely derived from taxes on property assessments as adjusted by State assessment ratios. The laws prescribe maximum local tax rates which may be levied for educational purposes without a vote of the people and the additional amounts which may be approved through a series of referendum. These tax rates are as follows:

SCHOOL DISTRICT TAX RATE LIMITATIONS, 1971-72

Levy	Type of District	Maximum Rates (Mills)	
		Without Referendum	With Referendum
Educational Fund	K/1-8	9.2[a]	30.0
	9-12	9.2[a]	30.0
	K/1-12	16.0	40.0
Building Fund	K/1-8	2.5[a]	5.5
	9-12	2.5[a]	5.5
	K/1-12	3.75	7.5
Capital Improvements	All Districts		.6
Transportation Funds	All Districts	1.20	2.0
Summer School	All Districts		1.5
Bond and Interest	All Districts	As Determined by County Clerk	
Illinois Municipal Retirement Fund	All Districts	As Needed	Not Applicable
Liability Insurance	All Districts	As Needed	Not Applicable
Working Cash Fund	All Districts	.5	Not Applicable
Fire Prevention and Safety	All Districts	.5	1.0
Junior College Tuition	9-12	As Needed	Not Applicable
	K/1-12		
Special Education Building Program	K/1-8	.2	Not Applicable
	9-12	.2	Not Applicable
	K/1-12	.4	Not Applicable
Area Vocational Education Buildings	9-12		
	K/1-12		.5

Provisions for School Indebtedness

Initiating bond issues: Each school district has complete responsibility for the initiation of bond issues.

Limitations on issuance of bonds: Serial bonds are required and they may be issued for a maximum of 20 years.

Limitations on debt: By constitutional provision, school bonds may be issued for Capital Outlay up to 6 percent in elementary and high school districts and 12 percent in 12-grade districts of the assessed valuation of the district as adjusted by State assessment ratios. It is possible to exceed the debt limitation by borrowing funds through the School Building Commission.

Voting requirements: School bonds must be approved at a special election by a majority vote of the qualified electors who participate. However, bonds may be issued without vote where the board, by resolution, declares its intention to issue bonds to pay accumulated indebtedness or to issue Working Cash Fund Bonds; publishes a notice of such intention; and within 10 days has not been petitioned by the electorate to submit the proposition to a vote.

Approval and sale of bonds: No further local or State approval is required when bonds have been properly voted or validated. Bonds are sold on the "yield" basis. The State does not assist with the sale of bonds and no State agency has prior purchase rights. Funds from the sale of bonds which are not needed immediately may be invested.

Bond records, tax levies, and payments: All levies for debt retirement are above those for the current school program. The school treasurer is responsible for maintaining bond records and for payment of bonds.

Short-term indebtedness: Local boards of education may borrow funds in anticipation of current revenue up to 75 percent of the amount levied. However, these funds are to be repaid within one year. There is no provision which permits the creation of short-term indebtedness to be repaid in the current fiscal year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Standard budget forms recommended by the State Superintendent of Public Instruction are prepared by personnel in each school district and filed with the secretary of the board. The fiscal year for all school districts except Chicago begins on July 1. Chicago operates on a calendar year fiscal year.

Local approval: The budget must be adopted by the local board of education prior to the first day of the second quarter of the fiscal year. Tentative budgets must be available for inspection at least 30 days prior to adoption. The tax levy is filed with the County Clerk on or before the last Tuesday in September. Neither the superintendent of the educational service region nor the county clerk has any legal authority over local school budgets.

State review or approval: There is no State review or approval of the budgets.

Provisions for School Audits

Each school district is required to have its accounts audited annually as of June 30. Audits are to be performed by accountants licensed to practice accounting in the State of Illinois. A copy of the audit is to be filed with the superintendent of the educational service region and with the State Superintendent of Public Instruction.

INDIANA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

INDIANA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Carlyn E. Johnson, Assistant State Superintendent, Indiana Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 39 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts for local school systems, is provided by the State.

2. Approximately 92 percent of the State support money is appropriated by the legislature from the State general fund, the principal sources of which are a 2 percent tax on retail sales, an adjusted gross income tax of 2 percent, and a corporate gross income tax at rates 2 and .5 percent.

3. The major portion or 77.1 percent of the State support program is distributed through the State School Support Fund--Tuition Portion. The ADA Flat Grant Distribution accounts for 13.9 percent and the State School Support Fund--Transportation Portion, another 5.4 percent. The remainder of the State support is made up of funds for summer education, adult evening school, vocational education, tuition for children of State employees, Special Education for handicapped children, and special classes for tuberculosis sanitarium patients.

4. Approximately 8 percent of the State support is derived from certain special taxes dedicated in whole or in part to school support. These are (a) the corporate net income tax; (b) a portion (67.5 percent) of the intangible tax; (c) common school fund revenue; and (d) a portion of the alcoholic beverage excise tax which is used for special education.

5. Two State loan funds, the Veterans Memorial School Construction Fund and the Common School Fund, provide financial assistance in the form of loans for school construction.

LOCAL SUPPORT

1. Local and county revenue for public elementary and secondary schools is derived principally from property taxes, and an excise tax on motor vehicles.

2. A local district 21.5-mills adjusted tax rate is required under the provisions of the "Tuition Portion" of the State School Support Fund.

3. A maximum of 49.5 mills on the local adjusted assessed valuation of taxable property may be levied by local school districts for general fund purposes. There is no provision or requirement for electoral approval.

4. School district bonded indebtedness is limited to 2 percent of the assessed valuation of the district. A school which has reached this limit, however, can create a holding company to build a school and enter into a lease rental agreement with such company.

5. Taxes for debt service do not require electoral approval and are levied as needed with no maximum limitation.

Provisions for the distribution of State funds for the public schools and for program participation

<table>
<tr><th colspan="3">Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td>Total . . . .</td><td>$333,201,231</td><td>(100%)</td><td></td><td></td></tr>
<tr><td>STATE SCHOOL SUPPORT FUND--TUITION PORTION
(Grades K-12)
(HB1247, 1971 Indiana General Assembly)</td><td>$256,746,604</td><td>(77.1%)</td><td></td><td></td></tr>
<tr><td>Instructional salaries..........</td><td colspan="2">Adjusted per pupil allowance times number of counted pupils. Adjusted per pupil allowance is $435 times average tuition factor. Counted pupils are the number of pupils in K-12 ADA, counting kindergarten pupils in attendance as .5 ADA, or full-time equivalent classroom instructors multiplied by 30, whichever is smaller. Average tuition factor is determined from experience and training of instructional staff in accordance with the following table:
<table>
<tr><th>College training (Years)</th><th>Experience (Years)</th><th>Factor</th></tr>
<tr><td>Less than 4</td><td>-</td><td>.7</td></tr>
<tr><td>4</td><td>0.5</td><td>.8</td></tr>
<tr><td></td><td>6 or more</td><td>.9</td></tr>
<tr><td>5 or more</td><td>0-4</td><td>1.0</td></tr>
<tr><td></td><td>5-10</td><td>1.1</td></tr>
<tr><td></td><td>11-16</td><td>1.2</td></tr>
<tr><td></td><td>17 or more</td><td>1.3</td></tr>
</table></td><td>State share: Total calculated amount minus local share. If total expended for salaries of certified personnel is less than calculated program amount, the difference is deducted from the State payment.
Local share: Yield of 21.5 mills adjusted local tax levy for grades K-12. Adjusted tax levy is the standard rate indicated, adjusted by State-determined assessment ratio.
Federal monies paid for federally affected areas under Public Law 874 are not included with the calculated local share.</td><td>Requirements for participation: Operate schools for a term of 9 months. Levy 21.5 mills on the adjusted assessed valuation of the school districts.
Extent of participation: An estimated 317 school districts.
Distributed: Quarterly.</td></tr>
<tr><td>Public school services for pupils enrolled in non-profit private schools......</td><td colspan="2">Average daily attendance of pupils enrolled in non-profit private schools who attend classes on a part-time basis in public schools may be counted for State Support, on a full-time equivalent basis.</td><td></td><td></td></tr>
<tr><td>STATE SCHOOL SUPPORT FUND--ADA FLAT GRANT FUND</td><td>$ 46,330,880</td><td>(13.9%)</td><td></td><td></td></tr>
<tr><td></td><td colspan="2">$40 per ADA grades 1-12. To be used for Debt Service or operating expenses if no Debt Service.</td><td>State share: 100 percent of calculated amount.
Local share: None.</td><td>Requirements for participation: None.
Extent of participation: 317 school districts.
Distributed: To schools annually on July 1.</td></tr>
</table>

INDIANA

Provisions for the distribution of State funds for the public schools and for program participation

<table>
<tr>
<th>Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th>
<th>State and local shares for support of the calculated State program allowance</th>
<th>Requirements for and extent of school district participation and schedule for distributing State aid</th>
</tr>
<tr>
<td>
STATE SCHOOL SUPPORT FUND--TRANSPORTATION PORTION $ 18,148,600 (5.4%)

$20 per pupil transported who lives over 1.5 miles from school multiplied by a density factor and a wealth factor
<table>
<tr><th>Density</th><th></th></tr>
<tr><th>Pupils per number of miles</th><th>Factor</th></tr>
<tr><td>4.00 or more</td><td>.3</td></tr>
<tr><td>3.75 - 3.99</td><td>.4</td></tr>
<tr><td>3.50 - 3.74</td><td>.5</td></tr>
<tr><td>3.25 - 3.49</td><td>.6</td></tr>
<tr><td>3.00 - 3.24</td><td>.7</td></tr>
<tr><td>2.75 - 2.99</td><td>.8</td></tr>
<tr><td>2.50 - 2.74</td><td>.9</td></tr>
<tr><td>2.25 - 2.49</td><td>1.0</td></tr>
<tr><td>2.00 - 2.24</td><td>1.1</td></tr>
<tr><td>1.75 - 1.99</td><td>1.2</td></tr>
<tr><td>1.50 - 1.74</td><td>1.4</td></tr>
<tr><td>1.25 - 1.49</td><td>1.6</td></tr>
<tr><td>1.00 - 1.24</td><td>1.8</td></tr>
<tr><td>.75 - .99</td><td>2.0</td></tr>
<tr><td>.50 - .74</td><td>2.2</td></tr>
<tr><td>Under .50</td><td>2.4</td></tr>
<tr><th colspan="2">Wealth</th></tr>
<tr><th>Assessed valuation per pupil</th><th>Factor</th></tr>
<tr><td>$16,000 or more</td><td>.0</td></tr>
<tr><td>15,000 - 15,999</td><td>.2</td></tr>
<tr><td>14,000 - 14,999</td><td>.4</td></tr>
<tr><td>13,000 - 13,999</td><td>.6</td></tr>
<tr><td>12,000 - 12,999</td><td>.8</td></tr>
<tr><td>11,000 - 11,999</td><td>.9</td></tr>
<tr><td>10,000 - 10,999</td><td>1.0</td></tr>
<tr><td>9,000 - 9,999</td><td>1.1</td></tr>
<tr><td>8,000 - 8,999</td><td>1.2</td></tr>
<tr><td>7,000 - 7,999</td><td>1.3</td></tr>
<tr><td>6,000 - 6,999</td><td>1.4</td></tr>
<tr><td>5,000 - 5,999</td><td>1.5</td></tr>
<tr><td>4,000 - 4,999</td><td>1.6</td></tr>
<tr><td>3,000 - 3,999</td><td>1.8</td></tr>
<tr><td>2,000 - 2,999</td><td>2.0</td></tr>
<tr><td>Under 2,000</td><td>2.2</td></tr>
</table>
Districts with an adjusted assessed valuation of $4,100 or less are defined to have a density factor of not less than 1.0.
</td>
<td>
State share: 100 percent of calculated amount, but not to exceed 90 percent of the amount spent the year before.

Local share: At least 10 percent of cost.
</td>
<td>
Requirements for participation: School district must have a wealth ratio of less than $16,000 per pupil.

Extent of participation: 281 school districts.

Distributed: In July and January.
</td>
</tr>
</table>

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
STATE SCHOOL SUPPORT FUND--SUMMER EDUCATION PORTION (Rule of the General Commission of Education of the State Board of Education) (No Specific Appropriation--funding a part of tuition support account.) $ 3,893,902 (1.2%)		
High School.................... Full-time equivalent ADA multiplied by adjusted per pupil allowance. Adjusted per pupil allowance equals $200 multiplied by average tuition factor of employed summer session instructors. Elementary School.............. Reimbursement is doubled for remedial reading and math classes of less than 16 (1-8).	State share: 100 percent of calculated amount but not to exceed amount expended. Local share: All costs not covered by reimbursement.	Requirements for participation: Conduct approved classes at the secondary school level for non-graduates and/or remedial reading for pupils in grades 1-8. High school summer sessions must be at least 40 days in length; elementary grade sessions must be at least 30 days in length. Extent of participation: 292 school districts. Distributed: As reimbursement after session reports have been received and approved.
SPECIAL EDUCATION FOR HANDICAPPED CHILDREN FUND (Sec. 1, Ch. 272, Acts of 1965) $ 3,756,908 (1.1%)		
Special class teachers.......... 50% of salaries Speech and hearing, physical, and occupational therapists... 70% of salaries Psychological services and special education administration.......................... 70% of cost Approved home teaching school, home telephone, and transportation..................... 80% of cost	State share: 100 percent of calculated allowance. Prorated in accordance with appropriation. Local share: Balance of cost not covered by reimbursement.	Requirements for participation: Provide instruction for pupils who have a physical or mental disability which makes regular school room activity impractical or impossible, and for whom no provision is made in any of the institutions of the State. Classes must be State-approved. Extent of participation: 260 school districts. Distributed: As reimbursement after close of school year.
VOCATIONAL EDUCATION FUND (Ch. 24, Acts of 1913 as amended) $ 2,050,000 (.6%)		
Vocational Education........... Part of cost of vocational education teachers' salaries and official travel based on salary schedules and official travel and per diem allowances.	State share: 100 percent of allowable amount with 45 percent for vocational home economics, 27.5 percent for vocational agriculture, and 27.5 percent for vocational trade and industrial education. The amount indicated does not include Federal support for vocational education. Local share: All costs not covered by reimbursement.	Requirements for participation: File applications and meet standards prescribed in the State plan. Extent of participation: 295 school districts. Distributed: As reimbursement after close of school year.

STATE SUPPORT, 1971-72

INDIANA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
STATE SCHOOL SUPPORT FUND--ADULT EVENING SCHOOL PORTION (Rule of the General Commission on Education of the State Board of Education) $ 2,117,940 (.6%)		
Adult Evening School Portion.... Equivalent ADA multiplied by the adjusted per pupil allowance. Adjusted per pupil allowance is $200 multiplied by tuition factor.	State share: 100 percent of calculated amount but not to exceed actual expenditure. Local share: All costs not covered by reimbursement.	Requirements for participation: Conduct classes in accordance with rules and regulations of the commission and hold classes in regular high school subjects, such courses to be offered to adults and older youth who have not graduated from high school. Extent of participation: 61 school districts. Distributed: Semiannually.
TRANSFER TUITION FOR CHILDREN OF STATE EMPLOYEES LIVING ON STATE PROPERTY (Ch. 247, Acts of 1955) $ 140,845 (0%)		
Transfer Tuition for Children... Average local expenditure per pupil, less distribution for tuition support and other current expense, times ADA of such pupils.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Districts must enroll students whose parents are employees of the State and who live on State property located in the school corporation or within the same county. Extent of participation: 35 school districts. Distributed: As reimbursement at end of school year as claims are approved.
TUITION FOR CLASSES IN TUBERCULOSIS SANITARIUMS (Ch. 18, Acts of 1945) $ 16,052 (0%)		
Tuition for classes in Tuberculosis Sanitariums............... Cost of providing instructional service up to 1.5, the cost of a regular transfer student in the district.	State share: 100 percent of allowable amount. Local share: None.	Requirements for participation: Districts must provide instructional services for patients in approved sanitariums in the districts which meet prescribed State rules and regulations and provide necessary applications and reports. Extent of participation: Two school districts. Distributed: As reimbursement at end of school year on the basis of annual claims.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
STATE LOAN FUNDS FOR SCHOOLS		
VETERANS MEMORIAL SCHOOL CONSTRUCTION FUND (Est.) $ 1,500,000 (-) (Ch. 312, Acts of 1955, amended)		
Approved Maximum per Classroom New construction $20,000 Additions to buildings 10,000 Remodeling or repair 5,000	State share: 100 percent of approved loan but maximum outstanding total loan from this fund may not exceed $250,000 for a district. Local share: Eligibility for loans is based on local financial effort and need. Repayment is made in semiannual installments over a maximum period of 20 years. Amount of repayment on principal, plus 1 percent carrying charge, is withheld by the State from the districts' "State School Support Fund--Tuition Portion" distribution and transferred directly to the Veterans Memorial Construction Fund.	Requirements for participation: Districts must have levied at least 5 mills on the assessed valuation for at least 3 years prior to application. The extent of need for new classrooms is based on projected enrollments for the next 6 years. Extent of participation: A total of 113 districts have obtained loans from this funds. Six are expected to obtain loans this year. Distributed: As loans are approved.
COMMON SCHOOL FUND $ 19,000,000 (-) (Ch. 379, Acts of 1959, as amended)		
Common School.................. Amount of approved loan not to exceed $2,000 per pupil, including the funds to be provided locally. The Common School Building Fund Commission has established $750,000 as the maximum amount of advancement per district.	State share: Amount of approved project cost to maximum minus local share. Local share: Repayment is made in semiannual installments over a maximum period of 20 years. Interest charges are 3-3/8 percent per annum of the unpaid balance. Local districts are authorized to levy a local tax for the amount of repayment but the State actually obtains repayment by withholding necessary amount from distributions of State school funds.	Requirements for participation: Districts must have raised, by bond issue and/or cumulative building fund levy, an amount equal to at least 2 percent of the adjusted assessed valuation. Extent of participation: A few school districts will obtain new advancements during 1971-72. Distributed: As loans are approved.

INDIANA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations under State supervision are determined by locally elected assessors and valuations may be changed by county boards of review. The State Board of Tax Commissioners assesses public utilities and, on appeal from a county board of review or at the time of statewide assessments, may adjust other assessments.

Each year the State Tax Board is required to review assessments by a scientific random sampling method to determine an assessment ratio of property values statewide and in each school corporation. The statewide ration is then divided by the school corporation ratio to secure an adjustment factor to apply against the school corporation valuation and maximum tax rate. The purpose of the tax adjustment factor is to equalize the local share deducted from the State foundation program for education. It is not used to change assessments.

Amounts for operating the county school superintendents' offices are included in the civil government budget of each county which employs a county school superintendent and necessary amounts are appropriated from county revenues.

Local districts: Local school districts are authorized to levy a tax not to exceed 49.5 mills on the adjusted assessed valuation for current operating expense. This includes current expense for all activity programs sponsored and paid for by the school district. Chapter 328 of the 1967 Acts sets out the details in regard to the General Fund and levy.

In addition to the above, local school districts are authorized to levy a tax for debt service obligations, including lease rental, bonds, civil bond obligations, Veterans Memorial and Common School Fund repayments. No limitation is placed on the Debt Service Fund levy. The State Tax Board is authorized to increase a debt service levy as advertised, if necessary, to meet the debt service obligations. Chapter 320 of the 1967 Acts sets out details in regard to the debt service fund and levy.

Local school districts are authorized to establish a Cumulative Building Fund levy to raise funds for schoolhouse construction, remodeling, additions to buildings, acquisition of land, improvement of sites, and leasing facilities for school purposes. The Cumulative Building Fund levy is limited to 12.5 mills on assessed valuation. It may be established to run for a period not to exceed twelve years. Details of the provisions of the Cumulative Building Fund law are set out in Burns annotated statutes 28-1108 to 28-1111, 1965.

Special laws applicable only in Lake and Dearborn Counties provide for uniform tax levies on a countywide basis. The yield of said levies are collected by civil counties and redistributed to school districts within the counties. Details of the distribution plan for Dearborn County are set out in Chapter 190 of the Acts of 1967. The Lake County plan is found in Chapter 278 of the 1965 Acts; Burns reference is 28-1133.

Other sources of income are nontax items and include receipts from transfer tuitions, property sales, gifts, and contributions.

All levies for school purposes are subject to review and approval by county tax adjustment boards and the State Board of Tax Commissioners. No local referendums are required for any tax levy.

Provisions for School Indebtedness

Initiating bond issues: Responsibility for initiating bond issues lies with the local school corporations. Civil governmental units which are coterminous with school corporations may also issue bonds for school construction.

Limitation on issuance of bonds: Serial bonds are required. The proceeds of bond issues must be used for capital outlay purposes. Indiana law does not prescribe any maximum number of years for which the bonds may be issued, but the State Board of Tax Commissioners rarely approves bonds for more than 25 years. Annual payments of principal and interest must be scheduled to provide approximately equal payments.

Limitations on debt: The State Constitution limits indebtedness to 2 percent of the assessed valuation. However, the courts have ruled that civil governmental units which are coterminous with school corporations may issue bonds for school purposes for a maximum of 2 percent of the assessed valuation, which permits a total possible maximum of 4 percent. Loans from the Veterans Memorial School Construction Fund and the Common School Fund stipulate that such loans shall not be considered as a part of the constitutional limitation on indebtedness.

School corporations are authorized by law to enter into lease rental agreements with school building authorities which have constructed school buildings in accordance with laws, rules, and regulations governing school construction. Such agreements provide that when schools are paid for they become the property of the school corporations. Such agreements are not considered as indebtedness against the 2 percent constitutional debt limitation.

Voting requirements: There are no voting requirements for indebtedness. However, a petition signed by at least 50 taxpayers is required to issue bonds to the 2 percent limitation.

Approval and sale of bonds: Prior to their issuance, all bond proposals must be approved by the State Board of Tax Commissioners. School Construction bonds are sold on a bid basis for the most favorable interest rate to the school corporation. State assistance with the sale of bonds is not provided and the bonds do not have to be offered first to a State agency. Funds from the sale of bonds which are not immediately required for school construction may be invested until needed.

Bond records, tax levies, and payments: Tax levies necessary to retire bonds are not subject to the limitations prescribed for current levies for school purposes. Bond records are kept by the local school corporations and the levies necessary to retire the bonds are determined by these corporations.

Short-term indebtedness: Local school corporations may apply to the county auditor for advances against the budget from funds which may be available from the proceeds of tax levies in the county. These advances are deductible from the apportionment when revenues become available. Also, funds may be borrowed by the issuance of tax anticipation warrants which are offered to the bank. Short-term indebtedness, with the exception of short-term bonds and emergency loans, must be retired during the current fiscal year. Special tax levies are permissible for retirement of short-term bonds and emergency loans during the next succeeding fiscal year.

INDIANA

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Budget forms for school corporations are prescribed by the State Board of Accounts. School budgets are prepared by local school officials and are based on needs for the period from January 1 to December 31.

Local approval: Final action on school budgets by local boards is taken on the last Thursday in August after public hearing on that date. The time and place of the hearing must have been properly announced as a part of the publication of the budget in local newspapers.

County review: The County Tax Adjustment Board reviews all budgets within the county on the second Monday of September and may recommend reductions in tax rates.

State review and approval: Final review of school budgets is conducted by the State Board of Tax Commissioners, which has authority to make further adjustments in levies, and may restore reductions made by County Tax Adjustment Board. Rates and levies established by the State Tax Board are effective without change during the fiscal year to which they apply.

Whenever additional or emergency appropriations become necessary, approval of the local school board, after advertised public hearing, is followed by review and approval, disapproval, or modification by the State Tax Board.

Provisions for School Audits

School audits are made by the State Board of Accounts every two to four years. A portion of the cost of the audits is charged to the local school systems. Copies of all audits are kept on file by the State Board of Accounts and by the local unit.

IOWA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

IOWA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Richard N. Smith, Associate Superintendent, Administrative Services, Iowa Department of Public Instruction, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 14 percent of the non-Federal revenue for public elementary and secondary schools and junior colleges, including only State grants and county and local revenue receipts, is provided by the State.

2. Legislative appropriation is the principal source of the State apportionment money for schools. Less than 1 percent of the State grant money is from income earned by permanent school endowments.

3. Beginning with the 1967-68 fiscal year, the State of Iowa initiated a revised formula for the financial support of public elementary and secondary education. Three aid funds, General Aid, Supplemental Aid, and Transportation Aid, were replaced effective January 1, 1968, by a new aid formula. The new formula provides for a Basic School Tax Equalization Fund and a State Equalization Fund. If receipts from these funds and other sources are not sufficient to provide the amount certified by the local district board of education, the additional amount necessary will be raised by a property tax levied on the individual district.

4. Forty percent of the State income tax paid by individuals is returned to the Basic School Tax Unit of origin. The Basic School Tax Unit is coterminous with the county school system.

   Funds for the Basic School Tax Equalization Fund are derived from the income tax returned and a uniform property tax levied on the property within the Basic School Tax Unit.

   A district's entitlement to State Equalization Funds is determined by a formula which compares the district's wealth per pupil in ADM plus number of children 5 through 18 to average per pupil wealth of the State. Both real property and income are used as indices of wealth.

LOCAL SUPPORT

1. Local and county taxes for school support are obtained almost entirely from taxes on tangible property.

2. Property taxes paid in individual school districts are composed of a uniform property tax spread on the property of a Basic School Tax Unit (county school system) and an additional property tax of varying amounts spread upon the property of individual school districts.

3. County boards of supervisors may levy a property tax of .25 to .75 mills for school purposes. Also, a county board of education may certify its own levy for support of the office of the county superintendent of schools.

4. School district budgets which have proposed expenditures in excess of an adjusted State average reimbursable expenditure per pupil in ADM are submitted to a School Budget Review Committee for examination. Such districts, whose proposed reimbursable expenditures per pupil in ADM exceeds an allowable figure, may have a reduction in State Equalization Funds the following year. A district's allowable figure is its actual reimbursable expenditure per pupil adjusted by the State Allowable Growth Factor. The Growth Factor is the 3-year average change in sales and use taxes, personal and corporate income taxes, and the assessed valuation of property.

5. School Bonds may be issued up to 5 percent of the district's actual value. The tax rate for debt service is limited to 15 mills. To exceed 10 mills for this purpose the ballot must contain such provision and the voters must so approve. A 60-percent favorable vote is required.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total $211,481,723 (100.0%)		
STATE EQUALIZATION AID FUND (Ch. 442) $115,000,000 (54.4%) $\left[1.00 - \left(.25\left[\dfrac{\dfrac{\left(\text{Local District Market Value of Real Property} \times .7 + \text{Local District Adjusted Gross Income} \times .3\right)}{\text{Public and Non-Public}\ \dfrac{\text{A.D.M.} + \text{School Census (5-19)}}{2}}}{\dfrac{\left(\text{Total State Market Value of Real Property} \times .7 + \text{Total State Adjusted Gross Income} \times .3\right)}{\text{Public and Non-Public}\ \dfrac{\text{State A.D.M.} + \text{State School Census (5-19)}}{2}}}\right]\right)\right]\left[\left[\text{Reimbursable Expenditures}\right] - \left[\text{Receipts from Basic School Tax Equalization Fund}\right]\right] = \text{State Equalization Aid}$	State share: Variable percent of reimbursable expenditures for previous year depending upon the wealth of the high school district. The formula is so designed to pay 75 percent of an average district's reimbursable expenditures. State pays a higher percent for districts of lesser wealth. Local share: District pays balance of reimbursable expenditures.	Requirements for participation: District must be approved by State Department of Public Instruction and maintain K-12 program. Extent of participation: 455 high school districts. Distributed: Equal quarterly installments.
INCOME TAX PROCEEDS (Sec. 442.5) (Est.) $ 41,169,919 (19.5%) Distributed on an equal amount per ADM basis.	State share: 40 percent of individual income tax collected and credited from the taxpayers of each Basic School Tax Unit is paid to the Basic School Tax Unit and placed in the Basic School Tax Equalization Fund. Local share: None.	Requirements for participation: District must have an average daily membership. Extent of participation: All 452 high school districts and 3 nonhigh school districts. Distributed: 20 percent on or about April 1 and 20 percent on or about October 1.
GENERAL AID FUND-VOCATIONAL AND COMMUNITY COLLEGES (Senate file 616, 62nd General Assembly, 1967) $ 12,700,000 (6.0%) Area vocational school or area community colleges. $2.25 per pupil, resident of Iowa, per day for each pupil carrying 12 or more hours of work, or full-time equivalent students.	State share: 100 percent of calculated amount. Local share: All costs above State share. A district may not levy in excess of 3/4 mill in current operation in support of this program.	Requirements for participation: Must be State-approved. Extent of participation: 15 area schools and 1 junior college. Distributed: Quarterly (August, November, February, and May).

STATE SUPPORT, 1971-72

IOWA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
STATE GROWTH FACTOR AID (Ch. 442 - HF 121)	$ 29,521,804	(14.0%)		
	$45.00 per student in fall enrollment.		State share: 100 percent of calculated amount. Local share: Extraordinary and unusual circumstances may be basis for Budget Review Committee to allow an additional tax raise.	Extent of participation: 452 high school districts. Distributed: In 3 equal payments - commencing in the 2nd quarter of school year.
VOCATIONAL EDUCATION OPERATION FUND (Sec. 258.8, 1970, Code of Iowa, Senate File 876, 62nd General Assembly, 1967)	$ 6,900,000	(3.3%)		
	Amount expended of approved program.		State share: 50 percent of amount for adult programs. Approximately 20 percent of the amount for day-school programs, as funds allow. Percents shown are for combined State funds listed and Federal funds for vocational education. Local share: All costs in excess of State share.	Requirements for participation: Schools must be approved and comply or meet program regulations and standards. Extent of participation: 300 plus school districts were paid for vocational and technical education programs provided. Distributed: In the fall.
HANDICAPPED CHILDREN'S AID FUND (Sec. 281.9, 1970 Code of Iowa. First established in 1945)	$ 3,700,000	(1.7%)		
Special education classes and transportation of handicapped children...........	Cost of special classes, home instruction, and pupil transportation.		State share: Excess cost per pupil above the average amount expended for other children. Local share: Same level of expenditure per pupil as provided for other children.	Requirements for participation: Programs for handicapped children under 21 must comply with State standards. Teachers must meet State qualification standards. School census must make and report a special enumeration of such children. Extent of participation: 400 plus school districts in 1969-70 for programs provided in 1970-71, plus 97 county units. Distributed: In August.
DRIVER EDUCATIO [illegible] (Sec. 321, 1970 [illegible] of Iowa)	$ 1,700,000	(0.8%)		
	$30 per pupil completing course is paid to the public school district. Private school pupils may receive this training and be included for aid purposes.		State share: 100 percent of calculated amount. Local share: All additional program costs.	Requirements for participation: Driver education course must be approved by the Department of Public Instruction. Extent of participation: Every public school district beginning with the fall term in 1970. Distributed: At the end of the 1970-71 school year, on the basis of $30 per pupil

STATE SUPPORT, 1971-72 IOWA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
EMERGENCY AID			
	Amount of emergency aid considered appropriate by the State Superintendent of Public Instruction.	State share: 100 percent of approved amount. Local share: Income from a 100-mill local levy and all other local revenue available for schools.	Requirements for participation: District's inability to provide an adequate education program on a 100-mill levy and apply for emergency aid.
SEMI-ANNUAL APPORTIONMENT FUND (Art. IX, Constitution of Iowa and Sec. 298.11, 1962 Code of Iowa)	$ 345,000 (.2%)		
Current expense, grades K-14...	Proportion of children 5-21 years of age inclusive, in district. Amounts to about $.18 per census child.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Make and report a school census of children 5-21 years of age. Extent of participation: All 452 school districts. Distributed: Twice a year in October and April.
CHILDREN IN STATE INSTITUTIONS, TUITION IN CHARITABLE INSTITUTION, OR CHILD IN BOARDING HOME. (Sections 282.22, 282.23, 282.25, 1966 Code of Iowa)	(Est.) $ 445,000 (.2%)		
	Payments are paid from funds not otherwise appropriated.	State share: 100 percent of calculated amount. Local share: Any costs which exceed the maximum permitted for tuition.	Requirements for participation: Child's domicile must have been in another school district. Extent of participation: 88 school districts. Distributed: In the fall of the year.

IOWA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations are established by county or city assessors. Cities of more than 125,000 population provide their own assessors; in cities of 10,000 to 125,000 population, it is optional as to whether they have a city assessor or are under the county assessor. County assessors are appointed by a joint conference board composed of the following: The mayors of those cities and towns which do not have a city assessor, the county board of supervisors, and the county board of education. These appointments are from an eligible list established by examination. The entire assessment procedure is supervised by the State Revenue Department which has the authority to equalize assessments on a statewide basis. Assessments by law are to be at 27 percent of actual value. Actual value is defined as market value.

Intermediate districts: From .25 to .75 of a mill may be levied for school purposes by the county board of supervisors. Also, the county board of education certifies its own levy for operation of county superintendent's office and staff. There are no legal limitations on this levy.

Local districts: District taxes may be authorized by school boards without electoral approval. However, districts whose proposed expenditures exceed a certain amount per pupil must submit their budget to a School Budget Review Committee for examination and recommendations.

By approval of the electors, a levy of 2.5 mills may be authorized to provide a school building fund. Also, taxes of .5, 1.0, and 15.0 mills, respectively, may be levied for the Schoolhouse Fund for the establishment and maintenance of recreation places and playgrounds, the purchase of school sites, and the payment of debt service. An additional 5 mills may be levied for the rental or lease-purchase of buildings upon approval of 60 percent of the voters.

Local revenue is also obtained from a State replacement of taxes on money and credits which were levied at the rate of 5 mills with half this amount, or 2.5 mills, going to the schools. After January 1, 1967, this tax was not levied. The revenue which would have been obtained is paid by the State to the district from a monies and credits Tax Replacement Fund.

Provisions for School Indebtedness

Initiating bond issues: Bonds may be initiated by the filing of a petition of 25 percent of the number voting at the last election of school officials. Under some conditions, the school board may make the proposal asking that an election be called, stating the amount and purpose of the issue.

Limitations on issuance of bonds: Bonds may be issued to defray the cost of purchasing, building, furnishing, reconstructing, repairing, improving, or remodeling a schoolhouse, schoolhouses or additions, gymnasium, stadium, field house, school bus garage, teachers' or superintendent's home or homes, and for acquiring sites. The local board may, without a vote of the people, issue bonds to satisfy a court order for judgment on unsatisfied indebtedness. Bonds must be serial and must not exceed twenty years. A fixed interest rate is required and bonds must be issued in denominations of not more than $1,000 or less than $100.

Limitations on debt: As provided in the Constitution, bonds are limited to 5 percent of the actual value of taxable property in the district.

Voting requirements: To be authorized, bonds must be voted by 60 percent of the qualified electors voting. There are no property qualifications of electors.

Approval and sale of bonds: No approval outside the school district is required and the State has no responsibility in connection with the bond issue. Sales are usually arranged through large bonding houses. Funds obtained through bond sales but not immediately required may be invested in U.S. Treasury certificates or may be placed on time deposit in the Iowa bank.

Bond records, tax levies, and payments: Taxes for bonded indebtedness for the Schoolhouse Fund are in excess of those for current expense or the General Aid Fund and are limited to 15 mills. No State authority has the power to set a higher limit under unusual circumstances. Limits are based on locally assessed values. The secretary of the school board has responsibility for maintaining the bond record, and the local school board is responsible for payment of the bonds.

Short-term indebtedness: The school board may issue warrants and when these are presented for payment, if there are insufficient funds, they are stamped "not paid for want of funds" and interest at 4 percent is drawn. Warrants may not be issued in excess of anticipated revenue for the budget year. Legally, districts may not exceed this limit, although in practice some districts do. Stamped warrants must be called in and paid off from the first funds available in the treasury.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: State-prescribed forms must be used for certification of tax levies to the county board of supervisors. The school fiscal year begins on July 1 and ends June 30 and corresponds with the State fiscal year. The tax year is from January 1 to December 31.

Local approval: The county superintendent is charged with assisting local boards in the preparation of their budgets, but he has no authority to revise them. Public hearings must be held 20 days before certification of the budget to the levying board. Public notice must be posted or published in a newspaper, depending upon size of school district, at least 10 days before public hearing. Local boards of education must make final adoption of the school budget on or before June 25 and the budget must be certified to the county auditor by July 15. One-fourth of 1 percent of the qualified electors, but in no event fewer than 10 electors, may protest the budget and appeal it to the State Appeal Board. Appeal must be made no later than the first Tuesday in September.

Provisions for School Budgets--continued

State review and approval: Any school district whose proposed reimbursable expenditure per pupil in average daily membership in the general fund exceeds the adjusted State average expenditure per pupil in average daily membership shall have its budget submitted to the School Budget Review Committee for review and examination. The Committee can recommend against a proposed increase. If the district nevertheless maintains its proposed budget beyond a percent of allowable growth it shall be limited to the reimbursable expenditures per pupil in average daily membership as allowed by the School Budget Review Committee.

Provisions for School Audits

School audits are required each year for all high school districts. Audits are made by the State Auditor, or by registered or certified accountants or auditors approved by him, at the option of the district. The cost of these audits is charged to the local school system involved. However, an audit may be required in any nonhigh school district by petition of the State Department of Public Instruction, the county superintendent, or 5 percent of the local taxpayers. If the school board in such a system decides to have an audit, it may be made either by an examiner from the State Auditor's office or by a public registered and certified accountant in Iowa.

KANSAS

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

KANSAS PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Dale M. Dennis, Director of Statistical Services, Kansas Board of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 30 percent of the non-Federal revenue for public elementary and secondary schools and community junior colleges, including only State grants and county and local revenue receipts, was provided by the State in 1971-72.
2. All of the State grants money, excepting 7 percent from drivers' license fees, is derived from State taxes earmarked for public schools.
3. Approximately 96.5 percent of the State funds allotted for the public elementary and secondary schools and community junior colleges is provided for general program support through 4 separate distributions. These include: a foundation program, 66.2 percent; supplemental aid, 20.6 percent; a property tax reduction apportionment, 6.7 percent; and a special education fund, 3.0 percent.
4. Under the State school foundation program a State-shared guarantee is determined for each district. This guarantee is based on the number, training, and experience of the certificated employees in the district. The State-shared guarantee is financed by Federal, State, county, and district revenue.
5. A State allowance for pupil transportation is based on a density factor and the cost per pupil transported.
6. About 3.5 percent of State public school support is apportioned through 3 separate distributions including driver training, junior colleges, and vocational education.

LOCAL SUPPORT

1. County and local district revenue for the public schools is obtained almost exclusively from property taxes.
2. County revenue for schools from sources other than property taxes includes small amounts from fines, forfeitures, sales of estrays, intangible tax, etc.
3. Each county levies an amount equivalent to 10 mills on its adjusted valuation. The proceeds of this tax are distributed to the districts either on a per-resident-pupil share and a per-certificated-employee basis or on a per-certificated-employee basis for districts located entirely in one county.
4. County taxes for school support include 3 to 5 mills which may be levied for community junior colleges.
5. There is no local district tax levy limitation, except that no district shall budget or expend for operating expense per pupil more than 105 percent of the amount legally budgeted for operating expense per pupil in the preceding school year, unless the Board of Tax Appeals authorizes a district to exceed the 105-percent limit or if a referendum is approved by the electors. Community junior colleges are authorized a levy as follows: Less than $60,000,000 value limit - 5 mills; and more than $60,000,000 value limit - 3 mills. In Montgomery County, where there are two community junior colleges, the levy limit is 7 mills.
6. School district debt is limited to 7 percent of the assessed valuation of the district, but may be increased by special approval.
7. Taxes for debt service are outside of specified tax rate limits.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total		$126,402,408	(100.0%)		
STATE SCHOOL FOUNDATION FUND (KSA 1971 Supp. 72-7001 through 72-7024 and acts supplemental thereto and amendatory thereof)		$ 83,619,000	(66.2%)		
Current operating expenses, Grades K-12	$760 multiplied by the sum of the total college hours of all certificated employees divided by 30, plus the total years' experience of all certificated employees multiplied by .2. Maximum college hours counted are 210 for any one employee; maximum years of experience counted are 15. The above result is further multiplied by a pupil-teacher ratio factor which reduces the allowance if the pupil-teacher ratio falls below 14 for a district with only one high school, no elementary school with fewer than 4 certificated employees, and less than 1,000 pupils; other districts, 15 for fewer than 1,000 pupils; 16 for 1,000-1,999 pupils; 17 for 2,000-2,999 pupils; 18 for 3,000-3,999 pupils; 19 for 4,000-4,999 pupils, and 20 for 10,000 or more pupils			State share: The State-shared guarantee, minus local ability and nondistrict revenue is the State share. Local share: Local ability is determined by a county economic index computed as follows: $\dfrac{\text{Percent of State adjusted valuation in the county (average of previous two years.)} + \text{Percent of State-taxable income in the county (average of two most recent years.)}}{2}$ = Economic Index of County. The total share of all the counties of the State is 10 mills times the adjusted valuation of all the counties. The county index times the share of all the counties, divided by the number of certificated employees in the county, is the county ability per employee. Each district's ability is the number of certificated employees times the county ability per employee. This quotient plus the nondistrict revenue of the district equals the district contribution. The district contribution minus the State-shared guarantee equals the district's State-aid entitlement. Nondistrict revenues deducted from the State-shared guarantee include County School Fund and intangible taxes. Each county levies an amount equal to 10 mills on its adjusted valuation. The county fund is distributed to the districts in the county either on a per-resident-pupil share and a per-certificated-employee basis for districts located entirely in one county.	Requirements for participation: Schools must be accredited by the State Department of Education. Extent of participation: 311 school districts. Distributed: Three times a year: December 20, February 20, and May 20.
Pupil transportation	Seventy percent of actual per pupil cost or cost per pupil determined from the curve on a density cost graph drawn by the method of least squares, with a minimum of $32.				

STATE SUPPORT, 1971-72

KANSAS

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
SUPPLEMENTAL STATE SCHOOL AID	$ 26,000,000 (20.6%)		
Supplemental aid................	The number of pupils is multiplied by $71.70; and the number of certificated employees is multiplied by $1,240. The sum of these products is then multiplied by an index figure which varies from .20 to .50 depending upon the Adjusted Valuation Per Pupil for the particular district. (The higher the valuation, the lower the index.)	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Schools must be accredited by State Department of Education. Extent of participation: 311 school districts. Distributed: December 15 and March 15.
LOCAL AD VALOREM TAX REDUCTION FUND (Secs. 79-2960, 79-2961, KSA, 1971 Supplement)	$ 8,436,320 (6.7%)		
Grades, K-12.................... (nonrestricted)	Ad valorem taxes levied the previous year. $5.5 million of amount indicated goes directly to school districts and $1.50 million goes to intermediate units for county funds. Actual county receipts prior to distribution are based half on population and half on assessed valuation of taxable property.	State share: 100 percent of calculated amount. Local share: None, but distributed amounts are directly related to local assessed valuations and tax rates in effect the previous school year.	Requirements for participation: Each school district must adopt and file a budget for the ensuing year; show a tax levy for fund for which property taxes are levied; and indicate the amount from this sales-tax distribution received into each of the local funds for which a property tax is levied. The tax levy for any property tax-levy fund must produce less than the amount which a maximum levy for the fund would produce, and this difference must be equal or in excess of the amount received from the sales tax distribution. Extent of participation: 311 school districts. Distributed: Credited to each school's account upon filing of the school's budget and tax levy.
SPECIAL EDUCATION FUND (Secs. 72-5344-9, 72-5351-9, 72-5361-8, and 72-5350-62, K S A)	$ 3,841,200 (3.0%)		
Educable retarded..............	Child 6-21 years of age included in this program are also included in the foundation program; $2,500 per class of 8-15 pupils; half of expenditures for special instructional aids and equipment up to $25 per child; $100 per nonresident child in full-time attendance up to $800 per class; half of cost of transportation up to $150 for each nonresident pupil; and tuition charges for children from another district.	State share: 100 percent of calculated amount. Local share: Balance of cost not reimbursed.	Requirements for participation: Employ certified teachers with approved preparation; organize special classes in accordance with regulations; and meet other requirements as specified. Extent of participation: Approximately 311 school districts. Distributed: In June.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
SPECIAL EDUCATION FUND--continued			
Other exceptional children......	$2,500 per each of first 15 special teachers in a congressional district and first 4 such teachers in a single school district and $2,000 for each additional teacher; half cost of equipment up to $100 per pupil; half cost of transportation for nonresident pupils up to $150 per pupil; $100 per nonresident pupil to a maximum, $2,400 total for cooperative regional programs; tuition allowance for children from other districts; and cost to teacher travel of 7 cents per mile.		
Homebound children..............	$3,000 per full-time teacher for homebound children. Two dollars per hour* of instruction for part-time teachers; half expenditure for instructional aids and equipment up to $100 per pupil, teachers' travel expense to 9 cents per mile and not more than $75 per pupil per year.		
COMMUNITY JUNIOR COLLEGE AID AND MATCHING FUNDS (Secs. 72-6901 to 72-6927, KSA, 1971 Supplement)	$ 3,195,888 (2.5%)		
Operating expense...............	Eight dollars per credit hour earned by State resident pupils.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Courses in instruction and facilities must be approved by the State Department of Education. Extent of participation: 19 junior college districts. Distributed: December 1 and April 1.
DRIVER TRAINING FUND (Secs. 8-267 and 8-272, KSA)	$ 900,000 (.7%)		
Driver education................	Percent of State pupils completing course in the district not to exceed amount expended for driver education.	State share: 100 percent of calculated amount. Money for this program is derived from 50 percent of drivers' license fees and 25 percent of chauffers' license fees. Local share: None.	Requirements for participation: Courses in accredited high schools must be approved and must meet other requirements and standards. Extent of participation: 311 school districts. Distributed: October 1.

* (5 hours per week)

STATE SUPPORT, 1971-72

KANSAS

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
VOCATIONAL EDUCATION FUND (Secs. 72-4301-19 and 72-4302-14, KSA)	$ 410,000 (0.3%)		
Vocational education............	Amount of approved expense. (2 mills for approved programs)	State share: Percent of approved expense. This allotment includes not only the amount shown but would also include a Federal allotment for vocational education. Local share: Balance of cost not reimbursed.	Requirements for participation: Schools and classes must be approved by the State Board of Education. Extent of participation: 231 school districts. Distributed: In January and June.

KANSAS

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: The elected county clerk is designated by law to act as an assessor except in those areas having a separately elected assessor. Generally, however, the county clerk is the assessing official. An appointive county assessor system may be adopted if 20 percent of the qualified electors file a petition to that effect.

The board of county commissioners of each county constitutes a county board of equalization, and the county clerk is the clerk of the board. The county board thus constituted, or a majority of the members thereof, makes such changes in the assessment of property as are necessary in order to secure an equalized countywide assessment of all property.

The Department of Property Valuation has general supervision over the administration of the assessment and tax laws of the State, over the township and city assessors, boards of county commissioners, county boards of equalization, and all other boards of levy and assessment. In particular, this Department is required to devise and prescribe uniform assessment forms and records along with related materials and provide for their administration; render all assistance possible toward uniform assessments within the counties and throughout the State; and compile assessment ratio data.

The Board of Tax Appeals, a 5-member board, members of which are appointed for 4-year terms by the Governor, reviews assessments and hears appeals relative to assessment valuations set by the Department of Property Valuation and county assessing officials. The Board of Tax Appeals does not determine assessment ratios in counties or school districts, but does constitute a State Board of Equalization which equalizes the valuation and assessment of property throughout the State and has power to equalize the assessment of all property in the State between persons, firms, or corporations of the same assessment district, between cities and townships of the same county, and between the different counties of the State.

Intermediate districts: County clerks are authorized by statute to levy a county tax which will raise an amount equivalent to 10 mills on the county's adjusted valuation. The revenue from the county tax is distributed to the schools located in the county on a per-certificated-employee and resident pupil basis.

Local districts: The 1970 legislature placed a different limitation on school districts and established a control on budgets. The 1970 law provides that no school district of any kind shall budget or expend for operating expense more than 105 percent of the amount legally budgeted for such purpose in the preceding school year. Under certain circumstances this amount may be increased by the State Board of Tax Appeals and a referendum approved by the electors.

Provisions for School Indebtedness

Initiating bond issues: Bond issues may be initiated by the school board by adopting and publishing a resolution which would call for a bond election on a certain date and for a specified amount of money. Likewise, school patrons may petition the school board to call an election for a bond issue. (Provision is not applicable to unified districts.) Indebtedness may be created to purchase or improve school sites and to construct, equip, furnish, repair, remodel, or make additions to buildings.

Limitations on issuance of bonds: Kansas school bonds are issued for a period not to exceed 20 years and shall be retired in approximately equal amounts, depending upon the number of years for which the bond issue is to run. The district school board will decide as to the length of term for bonds. Bonds are retired serially and are not callable.

Limitations on debt: Kansas has a bond limitation law, set by statute, which places the maximum at 7 percent of the assessed valuation. All school district boards may make application to the School Fund Commission for permission to exceed these limitations.

Voting requirements: In all instances, bonds are authorized by the voters of the district. All persons of 18 years of age and over are eligible to vote on a bond issue, providing that the voter has resided in the district 30 days and within the State 6 months and is registered to vote. A majority of those voting upon the proposition is required for bond issue approval. There is one exception to this procedure. Due to unforeseen emergencies, the State Board of Education may authorize the school board to issue up to $20,000 worth of bonds and the board may make another request for an additional $5,000 issue if the first $5,000 should be insufficient. In unified districts the amount is $10,000, plus $10,000 after 30 days.

Approval and sale of bonds: School bond issues are approved after election by the Attorney General who checks the bond transcript and certifies to the State Auditor and the Kansas School Fund Commission that the bond issue is approvable. The Kansas School Fund Commission is made up of three State officials: Attorney General, Secretary of State, and a member of the State Board of Education.

All school bonds, as well as municipal bonds, must be submitted to the School Fund Commission for purchase. If the Commission has no money to purchase bonds, the issue is rejected and the bond broker or some individual will then purchase the bond issue from the school district. School boards sell their bonds by competitive bid or through private sale. The sale of bonds must be made on competitive bid if the issue is for an amount in excess of $100,000. Bonds can be sold on a "yield" as well as a fixed interest basis. If bonds have been sold and immediate use of the money is not required, this money may be invested in direct obligations of the U.S. Government Certificate of Deposit which mature or are redeemable without loss of principal within 1 year from the date of purchase, or in temporary notes of the school district.

Bond records, tax levies, and payments: All tax levies for the retirement of bonds are outside the aggregate tax levy limits.

The clerk or secretary of schools issuing bonds must record all bonds issued [illegible] the school in a bond register. When the bonds and coupons are returned after having been paid, the fact of payment is noted on the register. All school bonds, except those issued by boards of education, must [illegible] registered by the county clerk.

Provisions for School Indebtedness--continued

For bonds issued by common school and rural high school districts, the board of county commissioners levies tax for interest and debt retirement. The county treasurer maintains a fund for bond interest and retirement for each such district and makes the payments on bonds as due.

The school treasurer is authorized and directed to remit to the State Fiscal Agent, at least 20 days before the day of maturity of any bonds or coupons payable to the State Treasurer, sufficient monies for the redemption of such bonds or coupons.

Short-term indebtedness: A school district may issue emergency warrants to be liquidated through special levy the following year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Standard budget forms are prepared and prescribed by the director of post audits. A sufficient quantity of these forms is provided the county superintendent, by the director of property valuations, who transmits the necessary number of copies to the clerks of the boards of education and to the school boards. The fiscal year starts July 1 and ends June 30, except for Kansas City and Topeka, which have a fiscal year of January 1 to December 31.

Local approval: Responsibility for preparing the proposed budget rests with the district's governing body, the board of education. Boards of education and community high school boards meet and prepare the budgets on or before August 1. Budgets of common school districts and rural high school districts must be posted with the notice of the annual meeting. The budget of a common school district or rural high school district is adopted by the electors at the annual meeting.

Annual budget meeting dates are, for common school districts, the first Friday in June, and for rural high school districts, the Thursday preceding the first Friday in June. The clerk of the school district transmits certified copies of the budget to the county clerk, to the director of post audits, and to the State Superintendent of Public Instruction. The county clerk will reduce the budget when the State Superintendent directs him that the budget has exceeded legal limits. The county clerk determines the tax levy according to the need as shown by the budget. Unified district boards determine their own district tax levies.

State review or approval: The law provides for filing budgets with the Director of Post Audits on or before August 25. The State Superintendent reviews the budget computation and is required to reduce State aid if a district exceeds it legal maximum budget limitation.

Provisions for School Audits

Schools are not required to have annual audits. A copy of each audit report is filed with the auditor of the State, Superintendent of Public Instruction, and one with the county attorney in which the school district is situated.

KENTUCKY

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

KENTUCKY PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Joe M. Alsip, Director of Finance, Kentucky Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 61 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.

2. Except for less than a half of 1 percent of the State support money for schools, which is derived from the earned income of permanent school endowments, all State funds distributed to school districts are provided through legislative appropriation.

3. Almost 99 percent of the State program for public school support is distributed through the Foundation Program Fund.

4. Foundation program support includes allowances for instructional salaries, special education, vocational education, administration, and supervision. Annual salary allowances for teachers range from $2,600 to $7,850 for the regular school term. The amount for a beginning teacher with a bachelor's degree is $5,430. In addition to the salary allowances, $1,400 per teacher unit is added for current expense other than pupil transportation and salaries; $1,200 per teacher unit is added for capital outlay; and an amount is added for pupil transportation.

LOCAL SUPPORT

1. Local revenue for public elementary and secondary schools is obtained through a combination of property and nonproperty tax sources.

2. Taxes on real estate account for about 78 percent of the local revenue receipts. The balance of 22 percent is derived through taxes on franchise corporations, whiskey withdrawals from warehouses, and bank shares, plus a poll tax on male citizens.

3. Required local tax support for participation in the foundation program is equal to 3.0 mills, based on the equalized assessment of taxable real property.

4. The assessment of real and tangible property was changed in 1965 from a partial assessment to full value assessment by order of the State Court of Appeals. During the 1966-67 and 1967-68 school years, the tax rates were reduced to provide a maximum 10-percent increase of revenue over the 1965-66 year. The additional tax rates authorized by voter approval have been reduced to a compensating rate on the new 100-percent assessment.

5. School district indebtedness is limited to 2 percent of the local assessed valuation. However, there is no limit to the amount of revenue or holding company bonds which may be issued.

6. Taxes for debt service and for payments of rent to school building authorities may be levied as necessary without specified limit.

STATE SUPPORT, 1971-72

KENTUCKY

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances

Total. $243,592,340 (100.0%)

FOUNDATION PROGRAM FUND $240,692,340 (98.8%)
(Secs. 157.310 to 157.990, KRS as amended, enacted in 1954)

Current expense and capital outlay, grades 1-12...........

Instructional salary allotment, based on both training and experience. A school district cannot pay any teacher less than 95 percent of the legislatively scheduled amount.

Training	Experience (years)		
	0-3	4-9	10 and over
M.A. plus 30 hours	$6,430	$7,330	$7,850
M.A.	5,980	6,880	7,400
B.A.	5,530	6,430	6,950
96-128 hours	2,900	2,900	2,900
64-95 hours	2,600	2,600	2,600

Unit allowance for each approved, certified, and qualified teacher employed at State-approved schools.

One basic teacher unit allowed for each 27 pupils in ADA the previous school year; 1 basic teacher unit per isolated 1-teacher school; and 1 unit for each 25 pupils in isolated schools with an ADA fewer than 100 the previous school year.

State and local shares for support of the calculated State program allowance

State share: Calculated amount minus a required local contribution.

Each district is guaranteed to receive at least $247 per pupil in ADA, or at least as much per pupil as was allotted in 1970-71.

Local share: 3.0-mill tax on equalized assessed value of property subject to taxation. Public Law 874 receipts are not added to the local tax money in establishing the local share of foundation program support ($63,805,875).

Requirements for and extent of school district participation and schedule for distributing State aid

Requirements for participation: Operate schools; employ and compensate teachers for at least 9.25 scholastic months as per State salary schedule.

Extent of participation: All 190 school districts in the State.

Distributed: Monthly, with early distribution based on preliminary calculation and amounts after March 1 based on final adjusted figures.

KENTUCKY

STATE SUPPORT, 1971-72

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
FOUNDATION PROGRAM FUND--Continued			
Vocational and special education teachers.............	Additional special teacher units allowed for approved positions if such teachers are employed.		
Superintendents, principals, certified assistants, and other instructional personnel........	One unit for each 8-teacher unit as indicated above.		
Supervisors of instruction.....	0.5 unit for the first 25-49 basic and special teacher units; 1 unit if 50-150 teacher units; and 1 additional unit for each additional 100 teacher units.		
Directors of pupil personnel...	Proportionate fraction of unit allowed for below 36 basic teacher units allotted. One unit for 36-166 and 1 additional unit for each additional 266 or fraction thereof basic teacher units.		
Increased attendance...........	Teacher-unit allowance increased in proportion to increase in ADA for the first 2 months of the current year compared with a similar period for the preceding school year.		
Extended term..................	Salary allowances increased in proportion to the period of extended employment for approved positions.		
Current expense other than salaries and pupil transportation.........................	$1,400 per teacher unit.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
FOUNDATION PROGRAM FUND--Continued			
Pupil transportation..........	Average per pupil per day cost of transportation for comparable districts according to no less than 9 density groups. Cost figures separately established for county and independent school districts, but allowance for independent school district is not to exceed minimum allowance for any county.		
Capital outlay................	$1,200 per teacher unit.		
Services for pupils enrolled in nonprofit private schools..	Pupils enrolled either full or part time in such private schools are not counted in determining the amount of the State program and do not participate in public school programs.		
FREE TEXTBOOK FUND (Secs. 157.100 to 157.190, KRS first established in 1934)	$2,900,000 (1.2%)		
Free textbooks................	Amount per public school pupil in average daily membership in grades 1-8.	State share: 100 percent of calculated amount. State buys and distributes books for use but retains ownership. Local share: None.	Requirements for participation: Districts must report school membership and submit requisitions for textbooks to be used in grades 1-8. Basic textbooks must be purchased first. Extent of participation: All 190 school districts. Distributed: Books are purchased after the beginning of the school year as requisitioned.

KENTUCKY

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT

Provisions for Raising School Revenue

Property assessments: Assessed valuations are established by elected county assessors or appointed city assessors, but can be changed by county commissioners or similar officials. The State Tax Commission has authority to equalize assessments, after proper review among the counties and cities, and conduct assessment ratio studies to determine variations in the level of assessment among the State's taxing districts. The assessment of real and tangible property has been changed from partial assessment to full value assessment by order of The Court of Appeals of Kentucky.

Intermediate districts: None

Local districts: During the 1966-67 and 1967-68 school years, the tax rates were reduced to provide a maximum 10-percent increase of revenue over the 1965-66 year. The additional tax rates authorized by voter approval have been reduced to a compensating rate on the new 100-percent assessment.

Provisions for School Indebtedness

Initiating bond issues: A proposal for a vote on a school bond issue is initiated by the board of education. Proceeds of the issue may be used to enlarge sites; purchase new sites; improve, remodel, or restore school buildings; and to erect or equip new school buildings.

Limitations on issuance of bonds: School bonds may be either the sinking fund or serial bond type and may be issued for 40 years. Approval of another local agency is not required.

Limitations on debt: Limitations on State indebtedness are provided in the statutes. Debt obligations may go only as high as 2 percent of the local assessed valuation. No State agency has authority to fix the debt limit or to approve a higher limit in special cases. However, revenue or holding company bonds may be issued by the tax-levying authority for the benefit of the board of education on the approval of the State Department of Education. Interest is paid and bonds are retired by the use of rentals paid by the board of education for the use of the building. A very careful financial study is made by the State Department of Education to determine the district's financial ability to retire the bonds before they are approved. No vote of the people is required for holding company bonds and there is no legal limit to the amount of such an issue.

Voting requirements: All qualified voters may vote in bond elections and a two-thirds majority of those voting on the question is required to authorize the issue.

Approval and sale of bonds: All bonds must be approved by the State Department of Education, either before or after the election. Bonds are usually sold on a yield basis but may also be sold at a fixed rate. The State does not assist with the sale, and it is not necessary to offer bonds to a State agency first. Funds from bond sales may be invested if their immediate use is not required.

Bond records, tax levies, and payments: When boards of education issue bonds which have been approved by a vote of the people, the tax necessary for the retirement of these bonds is a special tax authorized over and above that for the current program. Bond and retirement records are handled by the school board. The special tax is collected by the regular tax collector and the proceeds turned over to the board of education which, in turn, calls the bonds for retirement.

Short-term indebtedness: Boards of education are authorized to borrow up to 75 percent of the anticipated revenues for the current year. However, such loans must be retired during the fiscal year in which they are made.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget Forms: Each school district, under its superintendent, prepares its budget on forms prescribed by the State Board of Education. No public hearing or advertising is required. The school fiscal year in all systems, except some of the second-class cities, begins on July 1. Since city governments in first- and second-class cities are permitted to operate on a fiscal year beginning January 1, the levy for some of the boards of education in second-class cities is made for the fiscal year beginning January 1. The State fiscal year begins on July 1.

Local approval: The board of education is required to submit its budget to the fiscal court, the county commission, the city council, or the city commission as the case may be, by July 1 in order that the tax levy may be made. However, if it is not submitted before July 1, a levy made after July 1 is not invalidated. The tax-levying authority has no real power over the budget and must make the levy if it cannot show that the levy is higher than needed to produce the revenue required.

State review or approval: All districts must submit budgets to the State Board of Education for approval. The working budget must be submitted by September 15 and must meet requirements of the law regarding amounts for teachers' salaries and debt service, and show the revenue available to meet anticipated current expenditures.

Provisions for School Audits

The boards of education in all school districts are audited annually by certified public accountants selected by the local boards of education from the Register of Practicing Public Accountants in the State. The auditor selected by the local board is approved by the State Committee for School District Audits. The State pays one-half the cost of the audit and the local board one-half.

LOUISIANA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

LOUISIANA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Normand H. Edwards, Director, School Administration, Data Processing and School Research, and Ethel Bailey, Research Statistician, Louisiana Department of Education served as State authorities for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 60 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and not parish (county) and city revenue receipts, is provided by the State.

2. State money distributed to school systems is derived principally from taxes earmarked for school support. These taxes account for nearly 66 percent of the total State apportionment to school systems. Except for a very small amount of revenue derived from permanent endowment fund earnings, the balance of State support is from legislative appropriation.

3. Approximately 80 percent of the State grant money is distributed through the Public School Fund--Equalization Aid Portion. This program provides allowances for instructional staff salaries, transportation expenses, and $45 per pupil in average daily membership (ADM) for other current expenses.

4. The State salary schedule used for 1971-72 for the foundation program provides $6,000 and $6,200 minimums and $8,200 and $9,100 maximums, respectively, for teachers with bachelor's and master's degrees.

5. State support in the amount of 10.5 percent comes from 3 funds: Employers' Contribution Retirement Systems Fund, 6.0 percent; School Lunch Fund, 2.7 percent; and the Public School Fund--Per Educable Portion, 1.8 percent.

LOCAL SUPPORT

1. Parish (county) and city revenue for the public schools is obtained from both property taxes and from other sources with about 60 percent derived from property taxes.

2. Other sources which provide revenue for the public schools include income from rent, leases, and royalties on school lands; contributions; sales tax collections; special transfers from police jury; interest and premiums on temporary investments; and other miscellaneous sources. Amounts for school lunches are not included.

3. Local support for participation in the State foundation program includes 5 mills on the locally assessed valuation of taxable property, plus amounts received from severance tax receipts, half of the rental or lease income of school land, and per educable apportionments from the State Public School Fund.

4. Parish (county) boards of education may levy as much as 5 mills on 100 percent of the local assessed valuation of taxable property without electoral approval. The Orleans Parish School Board (City of New Orleans) levies 13 mills. An additional 7 mills for current operation may be voted by a majority of the voters voting. Also 7 mills may be voted in the same manner for maintenance purposes.

5. Additional local taxes up to 5 mills may be voted for the purpose of constructing or improving school buildings. This authorized levy is outside of provisions for debt service.

6. School bonds may be issued up to 25 percent of the local assessed valuation of taxable real property.

STATE SUPPORT, 1971-72

LOUISIANA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total	$417,585,534 (100.0%)		
PUBLIC SCHOOL FUND--Equalization Aid Portion (Current expense, grades K-12)	$360,558,080 (86.3%)	State share: Calculated amount minus Required Local Share equals Receipts from Public School Fund per Educable Portion. Local share: 5-mill property tax based on local assessed valuation, severance tax receipts, and 50 percent of income from rent on lease of school land.	Requirements for participation: Meet program requirements and regulations as specified by statute and by the State Board of Education. Extent of participation: All 66 school systems in the State. Distributed: In 12 equal monthly installments.

Instructional staff:
Salary allowance.............. Scheduled amount per alloted teacher employed:

College preparation or degree	Salary allowance in relation to teaching experience		Number of years to reach maximum
	Range		
2 years	$4,000	$ 6,100	11
3 years	4,400	6,600	11
B.A.	6,000	8,200	11
M.A.	6,200	9,100	12
M.A + 30 hrs.	6,200	9,800	13
Specialist in Educ.	6,500	10,100	13
Ph.D	6,900	10,300	13

Teacher units:

Elementary schools or departments over 203 ADM......	1 unit per each 27 pupils in ADM. (State Board of Education lowering ratio or major fraction thereof by 1 each year until ratio of 25 to 1 is reached.)
Elementary schools or departments under 203 ADM.....	1-30 ADM, 1 unit; 31-53, 2 units; 54-78 3 units; 79-105, 4 units; 106-134, 5 units; 135-165, 6 units; 166-198, 7 units; 199-203, 8 units.
High schools or departments over 438 ADM..................	1 unit per each 25 pupils in ADM.
High schools or departments under 438 ADM.................	1-22 ADM, 1 unit; 23-37, 2 units; 38-50, 3 units; 51-71, 4 units; 72-93, 5 units; 94-116, 6 units; 117-142, 7 units; 143-161, 8 units; 162-189, 9 units; 190-209, 10 units; 210-240, 11 units; 241-262, 12 units; 262-283, 13 units; 284-318, 14 units; 319-356, 15 units; 357-395, 16 units; 396-437 ADM, 17 units.
Grades 7-8....................	Units for grades 7-8 are calculated as high school units unless these grades are part of an elementary school.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
PUBLIC SCHOOL FUND--continued			
Principals	1 unit if 7-teacher units; a second unit if there are 15 or more teacher units.		
Enrichment teachers (Vocational and Specialized teacher allotment now combined.)	2 units for high schools, 76-150 pupils; 2 additional units for each additional 300 pupils.		
Special education teachers	The allotment of teachers is in addition to the allotment of teachers in the regular classroom and is based on the following minimum-maximum pupils per teacher or therapist: 1) Slow learners, 1 teacher, 12-18 pupils; 2) Educable mentally retarded 1 teacher, 10-15 pupils; 3) Trainable mentally retarded, 1 teacher, 8-12 pupils; 4) Deaf or hard-of-hearing, 1 teacher, 8-10 pupils; 5) Blind or partially sighted, 1 teacher, 8-10 pupils; 6) Speech impaired, therapist 100; 7) Cerebral palsied, 1 teacher, 8-10 pupils; 8) Emotionally disturbed 1 teacher, 8-10 pupils; and 9) Others as determined by regulations of the State Board of Education. When there are fewer than the minimum number of pupils per teacher as specified above, but not fewer than five pupils per teacher, then the State allotment for the approved teacher shall be reduced 1/10 for each pupil less than the specified minimum. The amount of the reduced State allotment shall be paid the teacher from local school board funds.		
Supervisors	$12,133 for each allotted position filled; 1 position for 40 teacher units; 2 for 150 teacher units or fraction thereof; and an additional position for each 150 additional teacher units.		
Visiting teachers	One is allotted at $12,133 for each 15,000 educable children in a school system.		
Pupil transportation	$2,534 to $3,379 per bus driver-operator salary, plus an allowance for bus operating costs.		
Other current expense	$45 per pupil in ADM.		

STATE SUPPORT, 1971-72 LOUISIANA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
EMPLOYERS' CONTRIBUTION RETIREMENT SYSTEM FUND (Title 17, Secs. 696 and 984, Revised Statutes of 1950)	$24,883,871 (6.0%)		
Employers' Contribution Retirement Systems Fund..............	Percentage of salary amount paid.	State share: Calculated amount on salaries within minimum salary schedule. Local share: Act 158 of 1969 as amended by Act 28 of 1970 requires local boards to pay portion of Employer's Contribution on salaries in excess of State Minimum Teacher's Salary Schedule less amounts made available from school districts' tax levies	Requirements for participation: Employers of teachers, bus operators, janitors, and school custodians must pay into the retirement funds certain percentage of the salaries paid. Extent of participation: All 66 school systems. Distributed: Annually
SCHOOL LUNCH FUND (Title 17, Secs. 191-199, La. Revised Statutes of 1950)	$11,214,426 (2.7%)		
School lunch fund..............	$.09 per type A meal served with milk. $.05 per type A meal served without milk. These rates are guaranteed.	State share: 100 percent of calculated amount. Local share: None, but district must have spent program amounts to receive its reimbursement.	Requirements for participation: Schools must provide a school lunch program which meets standards prescribed by the State Board of Education. Extent of participation: All 66 school systems. Distributed: Monthly
PUBLIC SCHOOL FUND--Per Educable Portion (Secs. 14, Art. XII of the Constitution)	$ 7,500,000 (1.8%)		
Nonrestricted use, grades K-12..	Amount per school-age child 6-18 years of age, inclusive.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Maintain a continuing census and certify as of January 1 of each year the number of educable children 6-18 years of age, inclusive. Extent of participation: All 66 school systems. Distributed: In 12 monthly installments.

STATE SUPPORT, 1971-72

LOUISIANA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
TEXTBOOKS AND SUPPLIES FUND (Title 17, Sec. 351, Louisiana Revised Statutes of 1950)	$ 7,753,621 (1.9%)		
Textbooks and Supplies Fund.....	Amount per pupil enrolled in public, private, and parochial schools.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: All public, private, and parochial school systems must report enrollment figures and submit requisitions for materials. Extent of participation: All 66 school systems. Distributed: As orders are received. State purchases items for districts as requisitioned.
CRIPPLED AND EXCEPTIONAL CHILDREN'S FUND (Title 17, Louisiana Revised Statutes of 1950 as amended and Act 561 of 1960)	$ 1,675,280 (0.4%)		
Salaries of Teachers...........	Amount of approved expense. Salary schedule not to exceed $3,400 per class.	State share: 100 percent of approved expense to specified maximum. Local share: All costs not covered by reimbursement.	Requirements for participation: Classes for the education of physically handicapped, exceptional, and mentally retarded children must meet standards prescribed by the State Board of Education. Extent of participation: All 63 school systems. Distributed on approved application for reimbursement once or twice a year.
Home-bound children:			
Mentally handicapped........	$250 per child.		
Physically handicapped......	$400 per child.		
Attendance trainable classes	$900 per class.		
School-home-telephone.......	$250 per unit.		
Speech correctionist........	State salary schedule not to exceed $6,000 for nine months.		
Tuition where necessary.....	Actual charge to $30 per month for day school and $60 per month for residential pupils.		
Teacher training for teachers of mentally retarded........	$500 per teacher-trainer.		
College projects for special education...........	Up to $10,500 per each area State college.		
REGULAR VOCATIONAL EDUCATION FUND (Title 17, Secs. 151, 1991-5 Louisiana Revised Statutes of 1950)	$ 2,940,922 (0.7%)		
Salaries for extended term of vocational agriculture, home economics, distributive education, trade and industry, and adult evening classes............	Cost of extended term salaries based on State salary schedule and amount of travel expense as allowed. Includes salary adjustment for Agriculture Teachers, Title 17, Sec. 422 Louisiana Revised Statutes of 1950.	State share: 100 percent of calculated allowance. Amount shown does not include Federal funds also provided for this program. Local share: All costs not covered by reimbursement.	Requirements for participation: School systems must maintain vocational departments which meet standards prescribed by the State plan for Vocational Agriculture, the teachers of which must be employed on a 12-month basis. School systems must employ agriculture teachers beyond a nine-month term.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
REGULAR VOCATIONAL EDUCATION FUND (continued)			Extent of participation: All 66 school systems. Distributed on approved applications for reimbursement once or twice a year.
ADULT ACADEMIC EDUCATION FUND (Act 252 of 1950)	$ 265,644 (0.1%)		
Adult Academic Education Fund....	$7.00 per clock hour of instruction	State share: 100 percent of calculated allowance. Local share: All costs not covered by reimbursement.	Requirements for participation: Programs must be operated under the general direction of State Department of Education. Funds are not to be used for programs already established and operated with other funds. Extent of participation: [illegible] school districts. Distributed: Monthly.
DRIVER EDUCATION FUND (Act 84 of 1955)	$ 363,255 (0.1%)		
Driver Education Fund............	Cost of classroom instruction not to exceed $3 per pupil completing the course and $12 per student having completed at least 6 hours of practice driving instruction or where State-approved simulators are used, 12 hours in simulators, plus 3 hours' actual driving instruction, or 6 hours'actual driving instruction.	State share: 100 percent of calculated and approved amount. Local share: State funds are provided to match district expenditures for driver education.	Requirements for participation: Submit applications at the beginning of each school year and supplementary applications during the year for any proposed expansion of the program. Extent of participation: 61 school districts. Distributed: On approved applications for reimbursement once or twice a year.
COMMUNITY FOOD PERSERVATION UNITS (Act No. 5 of 1965)	$ 187,686 (0%)		
Community Food Preservation Units............................	Proportion of total Public School Fund amount for the parish to the total Public School Fund amount for the State.	State share: 100 percent of calculated amount. Local share: All costs not covered by reimbursement.	Requirements for participation: School systems must use funds for the development of school-community food preservation units and submit a plan for the use of these funds. Extent of participation: 37 school districts. Distributed: On approved applications for reimbursement once or twice a year.

STATE SUPPORT, 1971-72

LOUISIANA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
INTEREST ON FREE SCHOOL FUND (School facilities) (Title 41, Secs. 841-844 Louisiana Revised Statutes of 1950) $ 109,506 (0%)		
Interest on Free School Fund..... Proportion of area of 16th section lands which were located in each parish.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: School district must have school lands or have to its credit funds realized from the sale of school lands or timber on such lands. Extent of participation: 64 school districts. Distributed: Annually
SPECIAL VOCATIONAL FACILITIES FUND (Title 17, Sec. 151, Louisiana Revised Statutes of 1950) $ 91,481 (0%)		
Special Vocational Facilities Fund.............................. Proportion of vocational teachers to State total.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Schools submit applications for State Department of Education for approval. Extent of participation: All 66 school systems in the State. Distributed: Annually in June.
EDUCATIONAL AND RECREATIONAL YOUTH CENTER (Act 29 of 1955) $ 41,762 (0%)		
Recreation Center................ State operates program and pays all costs of centers' salaries and maintenance.	State share: 100 percent of cost. Local share: None.	Requirements of participation: Center is established so that FFA students and other statewide groups might be provided with a facility for district and State conferences, for recreational purposes, for leadership training, and for the study of soil conservation. State operates this center. State conferences are administered and financed by the State Department of Education.

LOUISIANA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations are established by parish assessors who are elected by popular vote for a term of 4 years. The Louisiana Tax Commission has authority to adjust valuations in order to equalize assessments on a statewide basis, but it does not supervise the assessment procedures. The taxpayer may examine the assessor's listing, and he has 20 days in which to do so after published notice. Likewise, after the Tax Commission has reviewed the assessment, the taxpayer may again review his assessment and protest at a meeting of the police jury to be called for that purpose.

Intermediate districts: None.

Local districts: There are 64 parish and 2 city school systems in Louisiana. A parishwide property tax of 5 mills, or as much thereof as may be necessary, on 100 percent of the local assessed valuation of property is authorized to be levied by the board of education for current operating expenses without a vote of the people. All parishes levy at least 5 mills of this constitutional tax. An additional tax of 7 mills for the maintenance of schools may be imposed if voted on and approved by a majority of the voters voting, plus 7 mills for current operation voted in like manner. Up to 5 mills may also be levied by a vote of the people, parishwide or on a district basis, for the purpose of constructing or improving school buildings. A total of 24 mills may be levied parishwide. Provisions for debt service are in excess of these limitations.

Separate taxes for current expense, apart from parishwide (countywide) levies, are authorized, and separate districts may be created and bonds issued for capital outlay purposes. Taxes may then be levied within the district as needed for debt service. The use of this procedure is declining and there is a trend toward more parishwide bond issues. A favorable vote on a bond issue authorizes the board of education to issue the bonds and to levy a general property tax in excess of all other taxes for the purpose of paying the principal and the interest on bonds falling due each year.

Local funds are also provided from sources other than property taxes. These sources include income from rent, leases, and royalties on school lands; tuition from other school districts; contributions; sales tax collections; special transfers from police jury; interest and premiums on temporary investments and from other local sources. All school districts in Louisiana are fiscally dependent.

Provisions for School Indebtedness

Initiating bond issues: The initiation of bond issues is the responsibility of the parish and city school boards. In the city system of Monroe, the initiation of bond issues is the responsibility of the city council.

Limitations on issuance of bonds: Although not required by law, a majority of school bonds are serial bonds. The maximum number of years from which bonds may be issued is 40.

Limitations on debt: The Constitution authorizes the issuance of bonds for capital outlay up to 25 percent of the local assessed valuation. No State agency has authority to approve higher limits in emergencies.

Voting requirements: A favorable vote in a special election of the majority of qualified electors voting is necessary for authorization of a bond issue.

Approval and sale of bonds: School boards must secure approval of the State Bond and Tax Board before calling an election for the purpose of voting on a bond issue. Notice of election for the proposed bond issue and the advertisement for bids for the sale of bonds must be published in the newspaper according to the conditions stipulated in the law. Bonds are usually sold on the "yield" basis and State law requires that the rate of interest cannot exceed 8 percent. The State Bond and Tax Board presently limits its approval to an 8 percent interest rate. The State gives legal advice but does not assist in any other way with the sale of bonds. It is not necessary for bonds to be first offered to a State agency. If bonds have been sold and immediate use of the funds is not required, the funds may be invested until needed.

Tax levies, bond records, and payments: Special taxes must be levied over and above those for the current school program. The school board is responsible for maintaining bond records and for the payment of bonds.

Short-term indebtedness: Boards of education may borrow funds in anticipation of current revenue up to 50 percent of the estimated revenue as shown by approved budget. Indebtedness that cannot be retired during the current fiscal year may be incurred up to 5 mills on certificates of indebtedness issued for not more than 10 years.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Budget forms used by the 66 school systems are prepared by the State Department of Education. The school fiscal year begins July 1 and ends June 30.

Local approval: School officials of each school system have full responsibility for preparing the school budget within the limits prescribed by law. The budgets, according to State law, should be approved by the school board by August 1. The budget is published in part with other proceedings.

State review or approval: All budgets must be submitted to the State Department of Education by August 1. In turn, this agency submits the budgets to the State Budget Committee composed of the State Superintendent of Public Education, the State Treasurer, and the Governor, which committee may reduce the total or change any items in the budget.

Proposed amendments involving increased expenditures or transfers from major items must also be approved by the State Budget Committee.

Provisions for School Audits

Audits are authorized to be made every 6 months but in practice are made approximately once every year. They are made by the Legislative Auditor without cost to the local school system.

MAINE

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

MAINE PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Asa A. Gordon, Assistant Commissioner, School Administrative Services, Maine Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 30 percent of the non-Federal revenue for public schools, including only State grants and local district revenue receipts, is provided by the State.
2. Except for less than a half of 1 percent of the State support for public education, all State funds for distribution to the school districts are derived through legislative appropriation.
3. The principal fund through which the State provides public school assistance is the State Support for General Purpose Aid. About 76 percent of the total estimated State Grants are distributed through this fund.
4. General Purpose Aid support for current operating expenses other than pupil transportation ranges from $4 per pupil in units with high per pupil valuation to $480 per pupil in units with low per pupil valuation.
5. The balance of the State support program allows for distributions of State money to assist with the following special purposes: school construction, district reorganization, providing school for children in unorganized territories, special education for the handicapped, salaries of superintendents, vocational education, driver education, evening schools, and grants to supplement loans by the Maine School Building Authority.

LOCAL SUPPORT

1. Local support from property taxes accounts for about 93 percent of the total local revenue receipts for public elementary and secondary schools.
2. The remaining 7 percent of locally derived school revenue is from tuition receipts, rentals of facilities, income from public trusts, gifts from private trusts, and Federal aid.
3. There is no specified tax rate which must be levied by local school administrative units in order to participate in General Purpose Aid. A unit must raise by taxation annually $30 per inhabitant to qualify for full subsidy.
4. There are no separately authorized intermediate district taxes which may be levied specifically for school support.
5. There is no specified local tax rate limit that applies to school taxes. Tax rates are authorized by the voters except in community school districts and municipality districts where district trustees are authorized to set the necessary tax rates, without limit.
6. Except for incorporated and administrative school districts, the debt limit for all municipal purposes, including schools, is 7.5 percent of the local assessed valuation of taxable property. Debt limits for incorporated school districts are specified in the act of incorporation, and the administrative district debt limit is set at 12.5 percent of the last preceding State valuation of all participating towns.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total $65,632,524 (100.0%)		
GENERAL PURPOSE AID (Title 20, Sec. 3731-3734, Revised Statutes of 1964, as amended) $50,264,385 (76.6%)		
Per pupil aid.................... General purpose aid to equalize educational opportunity among the municipalities. It is the intent of the distribution that the State will finance at least 1/3 of the average cost of educating public school pupils in the State on an equalizing basis. District allowances are calculated as follows: $\frac{\text{State valuation per pupil at mid point}^{*}}{\text{Per pupil calculation of municipality}} \times \text{Base rate pupil}^{**} \times \text{Number of pupils in municipality as defined by legislation} = \text{The equalization amount per municipality}$ *The per pupil valuation of the municipality at the mid point in the pupil population at all municipalities when ranked from high to low according to per pupil valuations. In no case shall a factor in excess of 3.0 be used in the computation. **The total sum available for equalization divided by the number of resident pupils in the State.	State share: Legislative appropriation covers the entire calculated amount for each unit. Local share: Local units are required to make a minimum appropriation of $30 per inhabitant in accordance with the latest Federal dicennial census, if they operate schools. Any unit failing to appropriate the required amount from local taxation receives a subsidy reduction in the same proportion.	Requirements for participation: All units which educate public school pupils are eligible. Extent of participation: 284 administrative units receive aid. Distributed: In 12 equal monthly payments.
Transportation, school bus purchase and board of pupils..... Average sums expended in the fiscal years preceding the legislative session by administrative units for transportation, school bus purchase, and board of pupils multiplied by State aid percentage. Percentage determined as follows: $\frac{\text{Median State per pupil valuation}}{\text{Per pupil calculation of municipality}} \times 75 \text{ percent} = \text{State aid percentage}^{*}$ *No administrative unit may qualify for more than 97 percent nor less than 13 percent.	State share: The calculated State aid percentage. Local share: All costs in excess of the State payment.	

STATE SUPPORT, 1971-72

MAINE

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL CONSTRUCTION AID (Title 20, Sec. 3457-3460, Revised Statutes of 1964, as amended) $ 7,500,000 (11.4%)		
The unit with the median State valuation per pupil receives 40 percent of the cost of the construction project. All other units are reimbursed on a sliding scale depending upon the valuation per pupil ranging from 15 percent in the wealthiest units to 85 percent in the poorest units. The State aid percentage is determined as follows: $\frac{\text{Median State per pupil valuation}}{\text{Per pupil valuation of municipality}} \times 40 \text{ percent} = \text{State aid percentage}$	State share: The calculated State aid percentage. Local share: All costs in excess of State reimbursement.	Requirements for participation: All units are eligible. Extent of participation: All operating units, approximately 230. Distributed: One half of the entitlement on a construction project is distributed when the contract is signed, and the remaining portion of the entitlement is distributed when the project is completed.
SUPPLEMENTAL STATE AID FOR REORGANIZED DISTRICTS FUND (Title 20, Sec. 3456, Revised Statutes of 1964, as amended) $ 2,810,000 (4.3%)		
Fund is an incentive to the formation of administrative districts; reorganized school administrative districts will be paid a supplemental subsidy equal to 10 percent of the subsidy to which it otherwise would be entitled under the Foundation Program.	State share: 10 percent of the districts' entitlement under the Foundation Program. Local share: None.	Requirements for participation: Reorganization of 2 or more local administrative units (cities, towns, etc.) into school administrative districts must be approved by a school district commission and have at least 300 resident secondary students, grades 9-12, educated at public expense as indicated in the last returns made to the State Commissioner of Education. Existing community school districts, formed either under general law or by special legislative chapter, may be reorganized into school administrative districts upon approval by the school district commission without regard to the number of secondary students. Extent of participation: Limited to reorganized school districts. Distributed: Annually in December.
EDUCATION OF PHYSICALLY HANDICAPPED OR EXCEPTIONAL CHILDREN (Title 20, Chapter 119, Revised Statutes of 1964, as amended) $ 1,352,615 (2.1%)		
For any expenditure made over and above the cost of educating a normal child in any unit, the State reimburses a percentage of such excess expenditure ranging from 13 percent in the wealthiest units to 97 percent in the poorest units. The State aid percentage is determined as follows: $\frac{\text{Median State valuation per pupil}}{\text{Per pupil valuation of municipality}} \times 75 \text{ percent} = \text{State aid percentage}$	State share: The calculated State aid percentage of excess program costs. Local share: All costs in excess of State reimbursement.	Requirements for participation: All units are eligible. Extent of participation: 284 units (includes non-operating units). Distributed: Funds allocated immediately following the expenditure year.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOLING OF CHILDREN IN UNORGANIZED TERRITORY FUND (Citation not known) $ 836,476 (1.3%) Townships, generally but not necessarily 6 miles square, are geographical tracts with definite boundaries but with too few residents to have any form of local government. Education of children in unorganized townships is a primary function of the State. All townships collectively are known as the unorganized territory. Direct operating costs of public elementary and secondary education for students residing in unorganized townships are paid by the State.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Local unit must be recognized as an unorganized township. Extent of participation: 65 school districts. Distributed: Annually in December.
SCHOOLING OF INDIAN CHILDREN (Title 20, Chapter 119, Revised Statutes of 1964, as amended) $ 333,148 (0.5%) Fund is used to assure Indian children of the same opportunities that are available to all other children in the State. Full cost of educating the children is distributed.	State share: The State supports the entire cost of educating Indian children. Local share: None.	Requirements for participation: All Indian children are eligible. Extent of participation: There are three recognized tribes which are receiving benefits under this legislation. Distributed: Funds are allocated as needed.
SUPERINTENDENTS OF SCHOOL UNIONS FUND (Title 20, Secs. 152 to 155, Revised Statutes of 1964, as amended) $ 29,000 (0%) This fund provides up to $350 for any one union to aid in equalizing travel expenses of superintendents.	State share: 100 percent of approved amount. Local share: All costs not covered by reimbursement.	Requirements for participation: A certificate must be filed by the "joint union committee." The school directors of a school administrative district, or chairman of the school committee of a city or town employing its own superintendent, certify the election of a qualified superintendent. Distributed: Annually in December.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
STATE VOCATIONAL EDUCATION FUND (Title 20, Secs. 2351 to 2353, Revised Statutes of 1964, as amended)	$ 270,000 (.4%)		
	This fund is used to supplement Federal vocational funds so as to reimburse towns, insofar as possible, for half the salaries of instructors of vocational subjects. Available funds are prorated when necessary.	State share: 100 percent of approved amount. Local share: All costs not covered by reimbursement.	Requirements for participation: Town must maintain approved courses in vocational education in accordance with the State plan for vocational education and must file applications for approval and final claims for reimbursement on approved courses. Extent of participation: 125 school districts. Distributed: Reimbursement is made annually in August and September for the preceding year.
REGIONAL TECHNICAL VOCATIONAL CENTERS (Title 20, Sec. 2356-A-F, Revised Statutes of 1964, as amended)	$ 1,963,800 (3.0%)		
	Reimbursement of 2/3 of the operational costs for secondary level day schools and 90 percent of the operational costs for adult education. The cost of constructing and equipping buildings to be used for the maintenance and operation of a regional technical and vocational center is subsidized at 75 percent.	State share: 100 percent of approved amount. Local share: All costs not covered by reimbursement.	Requirements for participation: Approval of a facility adequately equipped for the conduct of not less than 5 approved full-time courses of technical or vocational education, exclusive of, or in addition to, part-time cooperative training programs, and shall maintain and operate such a regional technical and vocational center in accordance with a plan approved by the State Board of Education as to educational need, scope of program to be offered, location and area to be served. Extent of participation: 15 school districts. Distributed: Annually, in December.
DRIVER EDUCATION FUND (Title 20, Sec. 2452 Revised Statutes of 1964, as amended)	$ 210,000 (.3%)		
	Special subsidies of $10 per pupil are paid to the 170 participating administrative units for each pupil satisfactorily completing the driver education course during the preceding school year.	State share: 100 percent of approved amount. Local share: All costs not covered by reimbursement.	Requirements for participation: Administrative units must make provision for instruction in driver education and file necessary reports with the State Commissioner of Education. Districts must secure approval of the Commissioner with regard to teacher qualification and the course of study. Distributed: Payments are made in September of each year.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
GRANTS TO SUPPLEMENT LOANS BY THE MAINE SCHOOL BUILDING AUTHORITY FUND (Title 20, Sec. 3516 Revised Statutes of 1964, as amended)	$ -- 1/ (-)		
	Determination as to eligibility is under such rules and regulations as the Maine School Building Authority shall make and this determination is final pending approval by the Governor and council. Each such case is considered individually upon its own merits and in light of its particular circumstances. The Authority may recommend aid in whatever amount it deems necessary to finance minimum necessary classroom facilities, subject to the limits of available funds. Payments are made as the cases are approved. Whenever an administrative unit applying for a loan agreement with the Maine School Building Authority cannot, within the maximum loan limit policy of the Authority, secure such a loan agreement sufficient to finance necessary facilities, the Authority may recommend to the Governor and council an outright grant in such an amount as, with the maximum loan agreement, will permit financing of these facilities. Proceeds of the grant are paid to the Trustee of the Authority for deposit in the construction account of the unit to be assisted and are, with proceeds of an Authority bond issue, disbursed for the construction of the facilities.	State share: 100 percent of the approved amount. Local share: None.	Requirements for participation: Administrative units must be unable to finance minimum needed classroom facilities within the maximum loan limit policy of the Maine School Building Authority. Distributed: Payments are made as cases are approved.
INTEREST TO PLANTATIONS FUND (Title 30, Sec. 4165 and 4166 Revised Statutes of 1964, as amended)	$ 51,100 (.1%)		
	This fund is derived from interest on the Organized Territory Fund and is distributed to plantations for school purposes. Distribution is made by the State Treasurer after the State Commissioner of Education satisfies himself that the plantations are properly organized, that a school is maintained there in accordance with law, and that plantation assessors are properly sworn and qualified. The State Treasurer holds the principal of Organized Territory Fund as trustee and pays the income to	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Units must be organized as plantations and maintain one or more schools. Townships and plantations are mutually exclusive. Extent of participation: 48 school districts. Distributed: Annually in December.

1/ Authorized, but no funds.

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
INTEREST TO PLANTATIONS FUND--continued plantations for general school purposes, grades K-12 or 1-12 in proportion to the area of such land in each district.		
PERMANENT SCHOOL FUND INTEREST FUND (Title 20, Sec. 3451 Revised Statu of 1964, as amended) $ 12,000 (-) This fund derived from the interest on the Permanent School Fund is used to reimburse administrative units for half the cost of school plans and surveys and may include architects' plans. By a departmental ruling, this apportionment is limited to $1,200 for any one year and not more than $2,000 to any one municipality in a 5-year period.	State share: 100 percent of approved amount. Local share: All costs not covered by reimbursement.	Requirements for participation: School departments of municipalities must apply for reimbursement and school and survey plans must be approved by the State Commissioner of Education. A copy of the report or plans must be filed with the State Department of Education with a receipted bill for services. Extent of participation: 35 school districts. Distributed: Annually in December.
STATE LOAN FUND--MAINE SCHOOL BUILDING AUTHORITY (Title 20, Secs. 3501 to 3507, Revised Statutes of 1964, as amended) $25,000,000 (-) Loan Plan: This Authority was created by the State Legislature and designated as a public instrumentality of the State for the construction, acquisition, alteration, or improvement of public school buildings, including any structure used or useful for schools or playgrounds and facilities for physical education. Towns are authorized to contract with the Authority for the lease or use of any project financed by the Authority. Annual rentals for the lease or use of these projects must be paid to the Authority by the municipalities involved and, if they are delinquent, the State Department of Education will pay to the Authority any amounts due and will deduct this amount from the amounts payable to the municipality by the Department. Whenever the amount of rentals paid by the lessee equals the cost of redemption of bonds issued in its behalf together with interest paid out by the		Requirements for participation: Contracts between cities, towns, or community school districts and the Authority must be approved by the individual municipalities involved either as individual communities or as members of a community school district. Community approval is obtained by vote of the electorate. A project will be accepted for financing by the Authority when the superintending school committee of the school district, or the community school committee of a community school district, has certified the need therefore to the municipal officers of the town or the trustees of such community school district together with their recommendations for the procurement of new, additional, or different public school buildings, and their recommendation has been approved by the municipal officers or trustees and by the State Board of Education.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
STATE LOAN FUND--MAINE SCHOOL BUILDING AUTHORITY--continued Authority, the lessee is given full title to the building or buildings. Bonds may be sold on any terms determined by the Authority to be in its own best interests. However, no sale shall be made at a price so low as to require payment of interest of more than 5 percent computed in relation to the absolute maturity of the bonds in accordance with standard tables of bond values, excluding from such computation the amount of premiums to be paid on the redemption of the bonds prior to maturity.		Extent of participation: About 15 percent of the school districts have received benefits of financing by the Authority.

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Assessments are made by a board of assessors. In incorporated cities, the members of the board are generally appointed for specific terms by the city council or board of aldermen; in towns and plantations, they are elected directly by the voters in a town meeting. If any town does not choose assessors, the selectmen shall be the assessors. Assessments on property in the unorganized territory are made by the State Tax Assessor, an official of the State Department of Finance.

Appeals from assessments made by assessors may be taken to the county commissioner only if the taxpayer, prior to April 1, delivered to his board of assessors true and complete lists of his property with his own value placed upon it. Failing in this prior action, he has no recourse from the decision of the assessors. With respect to local property assessments, the State Tax Assessor has authority to conduct assessment ratio studies to determine variations in the level of assessment among the State's taxing districts and to adjust valuations for the purpose of equalizing them on a statewide basis. The local assessment level is not affected by the assessment ratio. Rather, equalization is reflected in adjustment of quantities such as State-assessed values, State tax rates, State aids, and the State tax levy. Apportionments of State school aid are based upon assessment ratio data.

Intermediate districts: None.

Local districts: Levies for local school revenue are established by the voters on the basis of budgets which are prepared by the boards of education. These budgets are approved by the city council in the case of cities and by town meetings in the towns. There is no limit to the tax rate that may be imposed. In community school districts organized under general law, member towns are taxed by the trustees according to the ratio of their valuation to total valuation in the district. Revenue for schools is provided for in the total levy of the municipality.

Provisions for School Indebtedness

Initiating bond issues: Generally, the voters of the school administrative units have complete responsibility for initiating bond issues. The school committee for each district recommends the issuance of bonds to the voters of the towns in a special meeting called for that purpose or to the city council. Bonds may be issued for any purpose for which the municipality may raise money or incur debt. The State constitution sets the maximum debt limit for municipalities at 7.5 percent of the last local valuation of the municipality.

However, there are several school districts which obtain their authority to issue bonds directly from the State. These districts are incorporated by special act of the State Legislature to erect, remodel, or acquire school buildings, each for its particular purpose and within limits specified in the act.

Title 20, Revised Statute of 1964, provides for new local school units in the form of school administrative districts. Such districts are composed of two or more towns, cities, plantations, or previously existing community school districts, and are administered by boards of school directors with representation from every town. School directors are permitted to borrow funds for capital outlay by issuing bonds or notes only when properly approved by a majority of votes cast at an election called by the directors specifically for that purpose.

Limitations on issuance of bonds: District bonds must be serial and cannot exceed 25 years in length. Serial bonds are not required in cities and towns although they are invariably used. The maximum term of these bonds is 50 years.

Limitations on debt: The maximum debt limit for municipalities is set at 7.5 percent of the last local assessed valuation of the municipality and is imposed by the State constitution. Incorporated school districts have their debt limits set forth in the act of incorporation. New local school units in the form of school administrative districts have a debt limit of 12.5 percent of last preceding State valuation of all participating towns, including all school indebtedness which the district had to assume upon its formation. Such new school districts are composed of two or more towns, cities, plantation, or previously existing districts. State agencies have no authority to fix or approve a higher debt limit in special cases.

Voting requirements: City charters generally give the right to issue bonds to the city council. In towns, the voters must approve every bond issue at a special meeting called for the purpose. Citizens entitled to vote in any other election are entitled to vote on bond issues, and a majority of these voting is sufficient to approve the issuance of bonds. Voters in administrative districts must approve district bond issues for capital outlay.

Approval and sale of bonds: No State agency has approving power over the issuance of bonds except as noted in "initiating bond issues." Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds, and it is not necessary that bonds first be offered to a State agency.

Bond records, tax levies, and payments: Tax levies for meeting the requirements of school districts funded indebtedness are levied over and above those which are necessary for the current school program. The trustees of the school districts maintain the bond records and are responsible for debt service payments.

Short-term indebtedness: In districts incorporated under general community school district law, trustees may borrow funds to pay current operational expenditures of the district in an amount not to exceed the total of the warrants issued for the current year, member towns assessing their respective shares of community school district expenditures; but said loans must be repaid within the same fiscal year.

Also, at town meetings called for the purpose of authorizing the formation of a community school district, inhabitants of towns comprising a community school district may set the maximum amount of indebtedness outstanding at any one time which the district may incur for capital outlay purposes. This limit, however, may not be in excess of 5 percent of the total of the last preceding State valuation of all of the participating towns.

Capital indebtedness may consist of notes or bonds of the district except that notes shall mature not later than 1 year from date of issue and may be renewed from time to time provided that the term of the original note plus that of all renewals shall not cover a period in excess of 2 years from date of the original issue.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Each school committee is responsible for the preparation of its own budget in any suitable manner. As a service, the State Department of Education furnishes budget forms with revenue and expenditure classifications comparable to those required on financial statements filed by the administrative units with the Department, but their use is not compulsory. The fiscal years for the town schools vary inasmuch as they are determined at town meetings.

Local approval: Municipalities must hold their meetings in March to appropriate school monies. At these meetings, the budget, which has previously been approved by the school committee, is submitted to the voters for consideration. Municipalities with individual charters submit their budgets in accordance with their charter provisions. These dates vary considerably. No official outside of the particular municipality has authority to act on the budget. In school administrative districts, the school directors prepare a budget in a form substantially required by law and submit it to voters of the district at a budget meeting called in a manner prescribed by law.

Only those items dealing with operations may be altered by the voters. Amounts necessary for payment of bonds, interest, lease payments, and other charters provided in the lease agreement with the Maine School Building Authority may not be questioned by the voters.

If the operations budget is not approved by the voters prior to April 1, the budget, as prepared by school directors, is considered automatically approved. In cities, city councils approve budgets for schools and make necessary appropriations. In towns, the voters appropriate funds at town meetings.

State review or approval: Appropriations for the ensuing fiscal year are required to be reported to the State Department of Education with the financial report of the preceding year. This requirement is for statistical purposes only. The Department has no authority over the budget of school units, other than to satisfy itself that a State law requiring unexpended balances of funds received from the State, or appropriated by the school unit, be carried as a beginning balance for the next year. In this latter instance, if the State Commissioner of Education finds that these funds are diverted, his authority extends to the point where he may recommend to the Governor and Council that State aid be withheld.

Provisions for School Audits

State law requires annual audits of all municipal accounts which would include school funds. The law permits the audit to be made by the State Department of Audit or any public accountant recognized as competent by virtue of training and experience. Copies of the audit report must be filed with the State Auditor. Reports of all school expenditures are filed on the basis of a year which begins July 1 and ends June 30.

MARYLAND

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

MARYLAND PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. J.R. Hamilton, Specialist in State Aid, Maryland Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 32 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, was provided by the State in 1969-70.

2. All State money for the support of the public schools is derived through legislative appropriation.

3. The State Share of Current Expenses Program accounted for approximately 71 percent of the State aid for the operation of public schools in 1969-70. This distribution provides a foundation program of at least $370 per pupil enrolled, based on $299 for an average annual salary of $6,645 for 45 professional employees per 1,000 pupils, plus $71 for other current expense. Additionally, $30 is provided for increased enrollment. Also $50 per pupil enrolled is provided for districts with a high population density (only Baltimore City participates). The Current Expense Incentive Aid Fund, which encourages improved staffing practices, is distributed on the basis of the ratio of the State share to the foundation program, and accounted for an additional 5.2 percent of the State grant money for schools.

4. Allowance for transportation costs represented 14.3 percent of the amount distributed. Approved costs of transportation are financed entirely by the State.

5. The School Building Construction Aid represented 26.3 percent of the total amount of State support. This program allows for State participation in 100 percent of capital construction costs for any approved school project. Further, the State participates in all principal and interest payments on obligations created due to the construction of facilities prior to June 30, 1967.

LOCAL SUPPORT

1. Financial support from local sources for the operation of public elementary and secondary schools is derived mainly from general fund revenues in the 24 political subdivisions which include 23 counties, and Baltimore City. All of the subdivisions in the State are allowed to levy an income tax based on the Maryland State tax liability. They are permitted to levy a surtax of any percentage falling within the range of 20 to 50 percent in even multiples of 5. Most subdivisions rely heavily on this source of revenue as well as the local.

2. In order to qualify for participation in the basic foundation program the local subdivisions are required to levy at a rate to provide a dollar amount which, when subtracted from the total foundation program, will provide a State share in an amount equal to the 1967-68 level.

3. No limit is specified for the tax rate which may be levied to support public education. Tax rates require the approval of the board of county commissioners for the counties and of the city council for the City of Baltimore. There is no provision for approval of tax rates by the electorate.

4. Tax rates are levied on the valuation of property, 79 percent of which is assessed under the supervision of the State and 21 percent assessed directly by the State.

5. Except in charter counties where the school debt limit is 10 percent of the assessed valuation, there is no specified debt limit nor is there any local authority to issue school bonds. County commissioners may issue bonds when so authorized by the State legislature.

6. Taxes for debt service, like current operating levies, have no limitation rate.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total.	$467,613,000 (100.0%)		
AID TO EDUCATION--STATE SHARE OF CURRENT EXPENSES PROGRAM (Grades K-12) (Art. 77, Sec. 128)	$176,692,000 (37.8%)		
Basic program..................	$370 per enrolled pupil, September 30, 1971.	State share: Calculated program amount, minus local share but not less than $128 per enrolled pupil. Local share: A percentage which, when multiplied by the assessed valuation of real property and net taxable income, will provide a State share equal to the 1967-68 level. Land and improvements are assessed locally and, if assessed below 50 percent of market value, are raised to 50 percent; if between 56 percent and 60 percent, reduced to 56 percent.	Requirements for participation: A district must appropriate its required share to meet the State salary schedule and expend at least $71 per pupil enrolled for materials of instruction, operation and maintenance of plant and administration. Extent of participation: 24 school districts. Distributed: In 6 bimonthly payments.
Increased enrollment...........	$30 per pupil of increased enrollment over preceding year.		
Density factor.................	$50 per pupil enrolled in school districts with a population density measure of no less than 8,000 persons per square mile (applies only to Baltimore City.)		
Staffing and salary adjustment staff..........................	Forty-five staff members per 1,000 pupils enrolled, plus an extra staff member for each 1,000 of the first 5,000 pupils or employed staff, whichever is lower.		
Salaries--Teachers with standard certificate........	$5,100 - $7,400 in 12 steps.		
--Teachers with advanced certificates.......	$6,000 (4th step) - $8,000 (12th step)		
AID TO EDUCATION--TRANSPORTATION (Art. 77, Sec. 19.) (Grades K-12)	$ 32,361,000 (6.9%)		
Transportation.................	Amount expended for day-school program as approved, minus amounts for non-public school.	State share: About 90 percent of cost. Local share: About 10 percent of the cost.	Requirements for participation: Transportation service must be approved by the State Superintendent of Schools. Extent of participation: 24 school districts. Distributed: In 6 bimonthly payments.
AID TO EDUCATION--SCHOOL BUILDING CONSTRUCTION AID (Art. 77, Sec. 130) (Grades K-12)	$217,928,000 (46.6%)		
	The State will pay 100 percent of school construction beginning February 1, 1971. The principal and interest payments on local and State debt created prior to June 30, 1967.	State share: All costs of construction except site purchase. All costs of debt service obligated prior to July 1, 1967. Local share: All costs not covered by reimbursement.	Requirements for participation: Enter into a contract approved by local and State superintendents and provide assurances that local funding is available. Extent of participation: 24 school districts.

STATE SUPPORT, 1971-72

MARYLAND

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
AID TO EDUCATION--HANDICAPPED CHILDREN (Art. 77 Sec. 100) (Grades K-12)	$ 27,066,000 (5.8%) Cost of teachers' salaries, special equipment, nursing, and therapeutic treatment.	State share: 100 percent of cost to maximum of $1,000 per child per year. Local share: All costs not covered by reimbursement.	Requirements for participation: Districts must operate a special program in accord with State standards, rules, and regulations, or authorized placement of handicapped child in approved private school. Extent of participation: 24 school districts. Distributed: In 6 bimonthly payments.
AID TO EDUCATION--CURRENT EXPENSE INCENTIVE AID (Art. 77, Sec. 129)	$ 12,566,000 (2.7%)		
Grades K-12....................	$6,645 multiplied by difference of the employed professionals, up to 50 per 1,000 enrolled pupils, minus the staff allowed in the calculation of the foundation program.	State share: Same percentage of calculated amount as provided for the Foundation Program. Local share: Same percentage of calculated amount as provided for the Foundation Program.	Requirements for participation: Employ professional staff in excess of those allowed in the foundation program to a maximum of 50 professionals per 1,000 pupils. Extent of participation: 24 school districts. Distributed: In 6 bimonthly payments.
AID TO EDUCATION--DRIVER EDUCATION FUND	$ 1,000,000 (0.2%) Per pupil derived by dividing special fund revenue by pupils.	State share: Approximately $21 per pupil. Local share: All additional program cost.	Requirements for participation: District must operate a driver education program. Extent of participation: 24 school districts. Distributed: In September.

MARYLAND

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Assessment of real and personal property is made by local assessors who are appointed by the State Department of Assessments and Taxation from a list of eligible assessors submitted by the county commissioners. The Department of Assessments and Taxation also appoints a local supervisor in each of the subdivisions. Assessors are trained and supervised by the State Department of Assessments and Taxation. Assessments made by the local assessors may be changed by the county commissioners or a local board of tax appeals and may be appealed to the State Department of Assessments and Taxation which sits as a Board of Tax Appeal with power to act finally on all assessments. The State Department of Assessments and Taxation supervises the administration of the tax laws and local assessment of property through its chief supervisor of assessments and the local supervisors of assessments, so that all taxable properties are entered on the assessment rolls and equalized. All persons, firms, and corporations must be assessed alike for like kind of property. The Department is empowered to enforce annual reappraisals in every county. The quality of local assessment is checked by annual assessment ratio studies.

Intermediate districts: None

Local districts: The schools of Maryland are organized on the basis of county school districts. Baltimore City is included with the counties in this report.

Neither the Constitution nor the statutes prescribe any upper limitation for levies for school purposes. In order to qualify for the State share of current expenses, the counties and the City of Baltimore must appropriate an amount sufficient to support an expenditure of $71 for other current operating expense and amounts sufficient to satisfy the State's minimum salary schedule. If any part of the total amount requested by the county board of education for current expenses for any school year is not approved by the board of county commissioners, the county commissioners shall indicate in writing what part of the annual budget of the county board of education have been denied in whole or in part and the reason for the denial.

Initiating bond issues: In 22 of Maryland's 23 counties, the county commissioners are empowered to issue bonds for school building construction. In one county, the board of education is so authorized. In the City of Baltimore, bonds for school building construction are issued by the Mayor and City Council.

Limitations on issuance of bonds: There are no statewide constitutional or statutorial limitations on the amount of bonds that the counties or the City of Baltimore may issue except that the limit in charter counties is 10 percent of the assessed valuation.

Voting requirements: If a referendum is included in the act authorizing the bond issue, or if a petition of 10 percent of the qualified voters requests a referendum, the bond issue must be voted on by the voters. Otherwise, the county commissioners may issue the bonds authorized by the State Legislature. In the City of Baltimore, all bond issues must be voted upon by the public.

Approval and sale of bonds: The counties and the City of Baltimore are required to obtain authorization from the State Legislature for each bond issue. This is not stated in the law, but any power not delegated to the local unit continues with the Legislature. Bonds are usually sold on the yield basis and must be offered at public sale to the highest bidder unless the enabling act specifies a different method of sale. It is not necessary to offer the bonds to a State agency first. No State assistance is provided in the sale of bonds. Funds available from the sale of bonds and not immediately required for construction purposes may be invested until needed.

Bond records, tax levies, and payments: In general, the local units levy amounts for debt service in addition to those for current expenses. State School Building Construction Aid money may also be used for debt service for new building construction. In most of the Maryland counties, bond records are kept by the county commissioners. It therefore follows that the county commissioners are responsible for payment of interest and redemption on bonds.

Short-term indebtedness: School boards may borrow funds in anticipation of current revenues under emergency conditions and with the expressed approval of the county commissioners.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budget forms are prescribed and furnished by the State Department of Education. The school fiscal year begins on July 1 and ends June 30.

Local approval: School Budgets are prepared by the county superintendents and approved by the county boards of education. They are then submitted to the county fiscal authorities who must approve the entire budget. The budget for the City of Baltimore must be approved by the City Council. There is no legal date by which the budgets must be filed except that State law requires that a copy of the budget be filed with the State Superintendent of Schools at least 20 days before the usual date for levying county taxes. Budgets need not be published or posted prior to their adoption.

State review or approval: Budgets are submitted to the State Department of Education for approval of estimates of State aid. As indicated, a copy of the budget must be filed with the State Superintendent of Schools at least 20 days before the usual date for levying county taxes.

Provisions for School Audits

Each county board of education must provide for at least an annual audit of its business and financial transactions and of the accounts of its treasurer. Semiannual audits are recommended although not required. The audit shall be made by an accountant or accountants approved by the State Superintendent of Schools. The results of the audit must be made public by the county board of education.

MASSACHUSETTS

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

MASSACHUSETTS PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State department of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Everett G. Thistle, Assistant Commissioner, Massachusetts State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 40 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.
2. Approximately 66.6 percent of the State school support is distributed through the foundation program. State support from the foundation program provides a maximum of 75 percent and a minimum of 15 percent of reimbursable expenditures for towns and cities.
3. School construction support accounts for 14.9 percent of the State distributions and provides financial assistance for preliminary studies, plans, drawings, as well as construction costs.
4. The remaining 18.5 percent of State funds for elementary and secondary school support is distributed through 4 funds: Transportation Expense Fund, 8.4 percent; Special Education Fund, 7.1 percent; School Lunch Fund, 2.3 percent; and State Wards Fund, .7 percent.

LOCAL SUPPORT

1. Local educational support is derived in total from taxes on property. There are no county or intermediate district taxes for schools.
2. No local nonproperty taxes are authorized to be levied for the support of the public schools.
3. Districts must absorb the first $5 per pupil in net average daily membership (ADM) of transportation cost before receiving pupil transportation aid.
4. There is no specified tax rate limit for the taxes which may be levied for the support of the public schools either with or without electoral approval.
5. School district bonded indebtedness is limited to 5 percent of the local assessed valuation for towns and 2.5 percent for cities. With special approval, these limits may be increased to 10 percent for towns and 5 percent for cities.
6. Tax levies for debt service are separate and in addition to those for current operation.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total $312,107,077 (100%)		
SCHOOL AID FUND (Ch. 70 amended, Ch. 14, Acts of 1966, General Laws) (Est.) $225,000,000 (72.1%)		
Foundation program............... The purpose of financial assistance provided by this fund is to promote the equalization of educational opportunities in the public schools of Massachusetts. Formula: Average equalized valuation per school-attending child for school district divided by average equalized valuation per school child for State. This valuation percentage is multiplied by 65 percent, the product is subtracted from 100 percent, this is the School Aid Percentage. The reimbursable expenditures of the school district are then multiplied by the school aid percentage to arrive at the State school aid.	State share: Reimbursable expenditure for the last preceding fiscal year times the school aid percentage for the calendar year during which such fiscal year begins equals the State share. Reimbursable expenditures are defined as the total amount expended by a city or town during a fiscal year for the support of public schools during said year exclusive of expenditures for transportation, for school lunch programs, for special classes for the physically handicapped and the mentally retarded, capital outlays (after deducting receipts for tuition), receipts from Federal Government, proceeds from invested funds, grants, gifts, and receipts from any other source to the extent that such receipts are applicable to such expenditures. Equalized valuation is defined as the equalized valuation of the aggregate property in a city or town subject to local taxation, as most recently reported by the State Tax Commission to the general court under the provisions of Section 10C of Chapter 58. Local share: Remaining percentage of educational expenditures.	Requirements for participation: Every school superintendent shall certify with the State Commissioner of Education reimbursable expenditures for the preceding fiscal year. Extent of participation: 351 cities and towns.
Limitations............. 1. Maximum percentage of State support is 75 percent; the minimum is 15 percent. 2. State average reimbursable expenditure per child in net average membership (NAM) multiplied by 110 percent and the result multiplied by the NAM of the city or town equals the limit of reimbursable expenditures to which the School Aid Percentage shall be applied. 3. If a city's or town's reimbursable expenditures per child in NAM fall below 80 percent of the State average of reimbursable expenditures per child, then, in computing the amount of school aid, a figure equal to 80 percent of the State's expenditures per child is used. 4. A ceiling is set on the amount of State aid that can be given to a city or town. A community's State aid cannot be more than 75 percent of its reimbursable expenditures. 5. A ceiling is set that every city and town receive this year as State aid at least 115 percent of the amount they received from the State in 1965 under Chapter 70 plus any grants and reimbursements paid under Chapters 69, 71, and 74 of State Statutes.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL CONSTRUCTION GRANT FOR CAPITAL OUTLAY AND DEBT SERVICE FUND (Chapter 645, 1945; first established in 1948) (Est.) $ 43,000,000 (13.8%)		
The total construction grant for any approved school project in a city or town is one-fourth of the product of the approved cost of the project, multiplied by the equalized valuation per pupil in net average membership for the entire Commonwealth, divided by the equalized valuation per pupil in net average membership in the city or town. However, no grant may be approved for an amount less than 40 percent or more than 50 percent of the approved cost of building. Cities and towns designated depressed areas or which have substantial or persistent unemployment shall be eligible for maximum State aid from the school building assistance commission for new school construction. For the purpose of this section a depressed area shall be considered as cities and towns which are designated as Groups D, E or F, in Area Trends in Employment and Unemployment by the United States Department of Labor or which are listed in said publication as areas which have substantial or persistent unemployment, and that the basis for the eligibility of a city or town for maximum State aid for new school construction for any buildings initiated thereafter shall be the October-November issue of Area Trends in Employment and Unemployment by the United States Department of Labor in the year in which, or the year preceding, said cities or towns request for such assistance. Construction grants for school projects in regional school districts are one-third of the product of the approved cost of the project, multiplied by the equalized valuation per pupil in net average membership for the entire Commonwealth, divided by the total equalized valuation per pupil in the total net average membership of the towns comprising the region. However, no such grant is to be approved for less than 40 percent nor more than 65 percent of the approved cost. Regional school districts in which at least 60 percent	State share: 100 percent of approved grant amount. Local share: Remainder of construction costs.	Requirements for participation: Applications must be filed with, and approved by, the Department of Education. This fund is used to promote the planning and construction of school buildings for cities, towns, counties, and regional school districts and may be used to reimburse regional school districts for all or part of the related expenses incurred in the preparation of preliminary studies, plans, drawings, and estimates as well as assist in the cost of construction.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL CONSTRUCTION GRANT FOR CAPITAL OUTLAY AND DEBT SERVICE FUND--continued designated as depressed or redevelopment areas or which have substantial or persistent unemployment shall be eligible for maximum State aid from the school building assistance commission for new construction. For the purpose of this clause a depressed area shall be considered as cities and towns which are designated as Group D, E or F, in Area Trends in Employment and Unemployment published by the United States Department of Labor or which are listed in said publication as areas which have substantial or persistent unemployment, and the basis for the eligibility of a regional school district for maximum State aid for new school construction for any buildings initiated thereafter shall be the October-November issue of Area Trends in Employment and Unemployment by the United States Department of Labor in the year in which, or the year preceding, said regional school districts request such assistance; and a redevelopment area shall be considered as such cities and towns listed in a redevelopment area and designated in accordance with Section 401 (a) (4) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161). This fund is distributed in accordance with approved plans for financing the projects. If a project is to be financed without any sale of bonds or notes, the grant is paid in five equal annual installments. In case of other projects, the grant is paid in equal annual installments determined by dividing the total grant by the number of years during which any indebtedness incurred therefore remains outstanding, but not less than five equal annual installments.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
TRANSPORTATION EXPENSE FUND (Est.) $ 17,500,000 (5.6%) (Chapter 71, Secs. 7A-7B, 46B; Ch. 74, Sec. 8A, Acts of 1964, General Laws)		
Provides reimbursement for approval expenses in excess of $5 per annum per pupil for transportation of pupils once daily to and from school. In addition, Chapter 71, Section 7B of the Law provides for reimbursement of part of other direct and indirect costs such as pupil transportation by public transportation systems and reimbursement for indirect costs of cities and towns through the payment of an assessment made to meet the cost of maintaining a public transportation system, used for the transportation of school children over the routes of licensed public carriers. Both provisions are restricted to those pupils who live more than 1 1/2 miles from the school they attend. Special provision is made for reimbursement of expenses incurred in transportation of handicapped and vocational education pupils.	State share: 100 percent of approved amount of transportation expenses in excess of $5 per pupil. Local share: Approved costs up to $5 per pupil.	Requirements for participation: Funds received must be used to pay the cost of providing public transportation or to reimburse a city or town for maintaining public transportation systems for pupils. Distributed: Annually, in November.
SPECIAL EDUCATION FUND (Est.) $ 18,120,250 (5.8%) (Chapter 71, Secs. 46-46F, 46H, 46I; Ch. 69, Secs. 26, 28, 29-29D, 32, 33; and Ch. 69, Secs. 26, 28, 33, General Laws)		
Education of Mentally Retarded, Blind, Deaf, Aphasic, Physically Handicapped, Partially-Seeing, and Certain Emotionally Disturbed Children Fund. Reimbursement is provided for half the expenses of instruction, training, and support of children in the special classes, special instruction periods, or recreation programs actually rendered or furnished in school or at home, including travel expenses. The State provides total reimbursement to cities and towns providing approved classes for deaf or blind children and the cost of education, training, and support of deaf, blind, or aphasic children specifically referred to private schools by psychiatrists. The cost of instructing blind children in regular classes are also totally reimbursed in this fashion.	State share: 100 percent of approved amount. Local share: Remaining costs of instructional, training, and support costs for children in special classes.	Requirements for participation: Districts must organize special classes for purposes of fund. Such classes must meet prescribed standards and requirements and be approved by the State Department of Education.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL LUNCH FUND (Chapter 548, Secs. 1-8, as amended, General Laws) (Est.) $ 6,788,527 (2.2%) Fund apportioned according to number and kind of meals.		Requirements for participation: School systems must maintain school lunch records and accounts and meet other conditions as specified by law. Distributed: 338 school districts.
STATE WARDS FUND (Chapter 76, Secs. 7-10, General Laws) (Est.) $ 1,698,300 (.5%) Payments for instructional costs of State wards, exclusive of general control, are made in the amount charged by the school committee but not at a rate in excess of the per pupil expenditure in the participating towns. Transportation allowances are paid to the towns furnishing the service at a rate per child equal to the average amount per week expended for other children.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Only school systems enrolling children kept under the control of the Department of Public Welfare may receive aid from this fund. Applications for reimbursement of educational costs must be filed with, and be approved by, the Department of Public Welfare.

MASSACHUSETTS

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Assessments are determined locally by an elected board of assessors. County commissioners or similar officials do not have authority to change the assessments of this board. There is no State authority to equalize assessments on a statewide basis, but the States do use State-equalized valuations or assessment equalizing ratios in calculating the distribution of State funds. The State Tax Commission, upon request, aids cities and towns in setting up an assessment system, furnishes materials needed for installation and maintenance of the system, and provides assessors with technical advice and assistance. Once installed, the State assessment system is controlling unless the city or town votes to abandon it.

Intermediate districts: None.

Local districts: A tax levy for schools is authorized by statute but there is no limit. Sufficient funds for the support of schools must be provided by towns and cities and not by the boards of education.

Provisions for School Indebtedness

Initiating bond issues: Loans for school construction may be authorized by vote of the city council or town meeting and bonds may be issued by the city or town treasurers with the approval of the major or selectmen.

Limitations on issuance of bonds: All bond issues must be serial and cannot be issued for more than 20 years.

Limitations on debt: Statutory provisions limit the indebtedness which towns may incur for general purposes. The limit for towns is 5 percent of the average of the assessors' valuations of the taxable property for the three preceding years, and for cities the limit is 2.5 percent of the average of the assessors' valuation for the three preceding years. However, with the approval of the State Emergency Finance Board, the normal limit may be increased up to 10 percent in the case of towns and up to 5 percent in the case of cities.

Voting requirements: A two-thirds vote of the town meeting in the case of towns and of the city council in the case of cities is required for the passage of school loan authorizations.

Approval and sale of bonds: No special approval is required by the State for the sale of bonds. Bonds, usually sold on a fixed interest basis, do not have to be first offered to a State agency. There is no State assistance with the sale of bonds. Funds available from the sale of bonds and not immediately needed for building purposes, may be invested until the funds are required.

Bond records, tax levies, and payments: Levies for debt service are made over and above those for the current school program. The local treasurer maintains all bond records and makes payment of the bonds.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budgets are prepared by local school officials in accordance with classifications prescribed by the State Department of Education. The school year begins July 1 and ends on June 30, but the fiscal year for all cities and towns is the calendar year.

Local approval: School budgets are subject to review and approval by the municipal appropriating body which is the town meeting for school districts and the city council or board of aldermen for city school districts.

The budget for the ensuing year must be approved by the selectmen and all boards, committees, heads of departments, and other officers of a town authorized by law to expend money, at least 10 days before the end of the current fiscal year.

Within 45 days after the annual organization of the city government in any city other than Boston, the mayor shall submit to the city council the annual budget. The school committee prepares the budget needed. Cities or towns must, under penalty, raise sufficient funds. All school budgets are available for public inspection. Printed budgets are furnished, in many instances, upon request.

State review or approval: No State agency has any responsibility for reviewing or approving school budgets.

Provisions for School Audits

Audits are required of all school districts at least once every two years. Annual audits are required for regional school committees. Audits are made by the State Bureau of Accounts.

MICHIGAN

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

MICHIGAN PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Robert Hornberger, Director, Department Services Division, Michigan Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 42 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.

2. Approximately 46 percent of the State funds distributed for the public schools is derived from taxes earmarked, in total or in part, for the public schools. The balance of the State support money is from general fund appropriations.

3. State grant money distributed to school districts through the foundation program is 85.8 percent of all State grants for education.

4. The State foundation program is set at $559.50 to $661.50 per pupil plus allowances for transportation, special education, and tuition. This fund is for current expenditure purposes as authorized but allows up to 5 percent of the total aid received by the district to be used for capital outlay and debt service.

5. Three additional distributions account for approximately 10 percent allotted to the school districts. Of these (1) 6.5 percent for special education, (2) 2.7 percent for special programs for underprivileged children, and (3) .7 percent for intermediate district services for county school districts.

LOCAL SUPPORT

1. For all practical purposes, the only tax source for county and local public school revenue is property tax.

2. No county or local nonproperty taxes are authorized to be levied for the support of education.

3. Local school districts are required to levy at least a 9-mill tax to qualify fully for participation in the State foundation program.

4. Authorized county property taxes, levied only with electoral approval, are for programs for the mentally and physically handicapped.

5. Local taxes of up to 15 mills on the State-equalization valuation of taxable property may be levied for public purposes, including public education, without electoral approval. A county allocation board determines the portion of this levy which applies to schools.

6. Taxes above 15 mills up to a 50-mill maximum, including the 15 mills, may be levied by voter approval. This 50-mill limit is for current expenditures for public purposes including schools. Taxes for debt service are in addition to current operating levies.

7. There is no specified debt limit for refunding bonds and unlimited tax bonds qualified by the State Superintendent of Public Instruction. Practically all bond issues are qualified bonds. Districts issuing other than qualified bonds have a debt limit of 15 percent of the State-equalization assessed valuation of the district.

STATE SUPPORT, 1971-72

MICHIGAN

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total . . . . 1/$842,411,725 (100%)		
SCHOOL AID FUND (P.A. 312 of 1957)		
Basic Membership Allowance 2/$722,611,725 (85.8%)		
(Sec. 8A and 17)................ Formula A Districts having a State-equalized valuation of more than $17,000 per pupil, $559.50 per pupil in ADM. Formula B Districts having a State-equalized valuation of less than $17,000 per pupil, $661.50 per pupil in ADM.	State share: Formula A and B Calculated amount minus local share. Local share: Formula A Yield from a 14-mill levy on State-equalized valuation of taxable property in district. Formula B Yield from a 20-mill levy on State-equalized valuation of taxable property in district.	Requirements for participation: Levy at least a 9-mill tax on the State-equalized valuation of the district for full aid. Levy of less than 9 mills requires proration of actual levy to 9 mills; provide 180 days of student instruction; make necessary reports; charge and collect legal amount of tuition. Districts having 350 or more ADM may not receive estimated aid for memberships in excess of ratio of 34 pupils to one teacher. Extent of participation: Formula A - 234 districts. Formula B - 345 districts. Distributed: Six times a year.
Pupil Transportation $ 32,600,000 (3.9%)		
(Sec. 11)...................... 75 percent of cost of approved programs.	State share: Calculated amount. Local share: Balance of cost.	Requirements for participation: Meet statutory classification requirements. Extent of participation: 498 districts. Distributed: Six times per year.
Compensatory Education 3/$ 23,000,000 (2.7%)		
(Sec. 3)...................... Not to exceed $200 per eligible pupil.	State share: Calculated amount. Local share: Any costs not covered by grant.	Requirements for participation: 15 percent or more of pupils in grades K-6 in need of substantial improvement in basic cognitive skills based upon State assessment battery tests: District must provide necessary reports. Extent of participation: 67 districts. Distributed: Six times a year.

1/ Subject to contingency reduction of $29,520,159.

2/ Includes $10,000,000 membership guarantee, $20,000,000 High Tax Waiver Funding, $7,372,725 in miscellaneous programs.

3/ Includes $500,000 for performance contracting.

STATE SUPPORT, 1971-72

MICHIGAN

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL AID FUND--continued			
Special Education	$ 55,000,000 (6.5%)		
(Sec. 12).....................	75 percent of costs of professional salaries not to exceed $8,100 for any individual.	State share: Calculated amount. Local share: Balance of cost.	Requirements for participation: District must operate approved program and provide necessary reports, claims, etc. Intermediate district must establish and provide a program for trainable children up to 21 years of age not eligible for training under other programs for the mentally handicapped children. Extent of participation: 510 districts. Distributed: Six times a year.
Remedial Reading	$ 3,400,000 (.4%)		
(Sec. 12).....................	75 percent of approved teacher salaries not to exceed $8,100 for any one individual.	State share: Calculated amount. Local share: Balance of cost.	Requirements for participation: District must operate approved program and provide necessary reports. Extent of participation: 295 districts. Distributed: Six times a year.
Alternative Programs for Pregnant Persons	$ 300,000 (0%)		
(Sec. 12).....................	75 percent of teacher salaries to exceed $8,100 for any one individual.	State share: Calculated amount. Local share: Balance of cost.	Requirements for participation: District must operate approved program and provide necessary reports. Distributed: Six times a year.
Intermediate District Aid	$ 5,500,000 (.7%)		
(Sec. 2, 16A)................	Percentage of the intermediate districts budget equal to the percentage of the constituent districts' total expenditures for operating purposes supplied by the State, plus $3,500 if the county is included in an annexation or consolidation.	State share: 50 percent of approved budget. Local share: Balance of cost.	Requirements for participation: County must operate an Intermediate District and provide administrative and supervisory services. Extent of participation: 59 counties. Distributed: Six times a year.

STATE SUPPORT, 1971-72

MICHIGAN

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
SCHOOL BOND LOAN FUNDS (Sec. 16, Article 9, Constitution of 1963 P.A. 202 of 1943 P.A. 269 of 1955 P.A. 108 of 1961 P.A. 112 of 1961 P.A. 35 of 1971 as amended) $ 18,564,000		
Up to 90 percent of amount required to pay principal and interest.	State share: State is authorized to borrow up to $100,000,000 for loans in qualified districts to pay debt service cost above that provided by a mill debt service. Local share: Seven-mill levy on district's State-equalized valuation plus 10 percent of cost until debt service costs and State loan amounts are fully repaid.	Requirements for participation: Make formal application to Chief State School Officer, and issue bonds in accordance with program conditions. Evidence must be given of project need, and funds must be used for purpose, as approved. Extent of participation: 69 school districts. Distributed: Made as loans to districts as funds are needed for approved projects.

MICHIGAN

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Assessed valuations are established by local assessors who are chosen by popular vote except in the cities and towns where they are appointed. Valuations may be adjusted and equalized by both the county board of supervisors and the State Tax Commission. Action of the State Tax Commission may be taken if one local assessor objects to the valuations fixed by the county board. In addition to making adjustments, the State Tax Commission establishes ratios for the counties which are used in the allocation of the State-equalization funds and to alter the effect of tax rate limits on tax productivity and local debt limits on borrowing. Equalization is achieved by a change in the local tax rate rather than in the level of assessment.

Intermediate districts: To support programs for the mentally and physically handicapped, taxes may be raised by special countywide election above the 15-mill local limit. Funds are collected and expended by the county school districts for this purpose.

Local districts: Approximately 90 percent of local district funds comes from the general property tax. Remaining amounts are obtained from tuition and transportation fees.

The State Constitution provides that a maximum of 15 mills on State-equalization assessments may be levied without a vote of the people. A county allocation board has authority to allocate this maximum among the local taxing units. The electorate may vote to increase the 15 mills to 18 mills and fix the rates for the school districts and county and township governments. If so, there is no longer a need for an allocation board. The Constitution also authorizes a maximum of 50 mills, requiring that the millage above 15 or 18 be approved by a majority of the electors participating in the election. Levies for debt service and capital outlay are in addition to levies for current expense.

Provisions for School Indebtedness

Initiating bond issues: Proposals for school bond issues are initiated by the local school board.

Limitations on issuance of bonds: Limited tax bonds may be issued for a period not to exceed 20 years for the purpose of financing capital outlay projects, including school buses; unlimited tax bonds may be issued for a period up to 30 years. Only serial bonds may be issued.

Limitations on debt: The total of outstanding indebtedness is constitutionally limited to 15 percent of the State-equalized assessed valuation of the district, except that refunding bonds and all unlimited tax bonds qualified by the Superintendent of Public Instruction for purposes of a State loan, if such a loan is required, may be issued in excess of this limitation. No State agency has authority to fix the debt limit or approve a higher debt limit in special cases.

Voting requirements: Bond issues must be approved by vote of a majority of the taxpaying electors present at the election. It is also necessary, except in the case of unlimited tax bonds, that a majority of all qualified electors present at the election vote to exceed the 15-mill limitation in order that sufficient taxes can be levied to retire the bonds.

Approval and sale of bonds: Before any bond issue authorized by the electors may be sold, the approval of the Municipal Finance Commission is necessary. If a bond issue is to be qualified by the Superintendent of Public Instruction for purposes of a State loan, the issue must be qualified prior to the sale of the bonds. Bonds are sold through bids at a fixed interest rate. The State does not assist in the sale, and it is not necessary that the bonds be offered first to a State agency. If the immediate use of funds from the sale of bonds is not required, the funds may be invested.

Bond records, tax levies, and payments: In all bond elections, except in the case of unlimited tax bonds, it is necessary that the qualified electors authorize the school board to levy taxes above those for the current school program. The school board is responsible for the handling of bond records and retirement. Yearly reports must be sent to the Municipal Finance Commission showing bonds outstanding and the condition of the bond fund.

Short-term indebtedness: To meet cash deficiencies or unforeseen expenses, a school board, with the approval of the Municipal Finance Commission, may borrow against the anticipated yield of its current tax levy. Such loans must be repaid when the taxes are received. When a district has voted a building and site fund, the district may borrow against the next 2 years of anticipated tax collections with the approval of the Municipal Finance Commission. Only in the purchase of school buses may a district enter into a contract extending over a period of years without approval. Such indebtedness may be retired from State aid funds or from local revenues.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: The intermediate district superintendent of schools furnishes the forms for small districts and the county tax allocation board recommends the type of form to be used by all districts. The intermediate district superintendent of schools is available as a consultant to the local districts and is a member of the county tax allocation board. The tax allocation board has no authority in relation to the school budget. Local school officials have the full responsibility for completing and recommending the school budget. The school fiscal year begins on July 1 and ends on June 30.

Local approval: The county tax allocation board has the responsibility of prorating the constitutional maximum of 15 mills among the requesting school districts, counties, cities, and townships. Budgets must be filed with the allocation board on or before the second Monday in May. A public hearing is required.

State review or approval: Approval of budgets does not have to be secured from any State agency, and no copies have to be filed with any agency other than the allocation board.

MICHIGAN

Provisions for School Audits

School districts are required to have audits of their financial records at least once every three years at their own expense by certified public accountants as required by the Superintendent of Public Instruction. An exception is made in the case of a first-class district which may audit its records through the office of the audit general of the city. Reports are to be filed with the Superintendent of Public Instruction and made available for public inspection. The regular practice is, however, that all districts are audited annually.

MINNESOTA

PUBLIC SCHOOL FINANCE PROGRAM, 1972-73

MINNESOTA PUBLIC SCHOOL FINANCE PROGRAM, 1972-73 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. S. Walter Harvey, Director, Research, Statistics and State Aids, Minnesota State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 70 (estimated) percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.

2. School Foundation Aids guarantees a program level of $750 per pupil unit, a level approximating the statewide average per pupil expenditure.

3. Minnesota is one of the few States which has acted directly to reduce local property taxation for schools through the payment of two State aids designed to provide property tax relief.

4. Pupils are weighted by grade level from .5 in kindergarten to 1.5 for post-graduate area vocational technical school pupils for the School Foundation Aids Program.

5. Minnesota is one of the few States which provide direct State aid for educational overburden caused by broken homes, poverty, and low income.

6. In addition to the School Foundation Aids Program, the State provides categorical aids for transportation, handicapped children, vocational education, and school property tax relief.

LOCAL SUPPORT

1. Approximately 99 percent of the county and local school revenue from taxation is obtained from property taxes.

2. School boards are required to levy 30 mills on the EARC valuation to participate in the School Foundation Aids Program and an additional amount necessary to meet proportionate share of "cost-of-living" increases as prescribed by law.

3. School boards may levy up to an additional 8 mills for school sites and facilities. Also amounts necessary to meet certain debt service requirements as specified by law may be levied. Additional levies for transportation, vocational technical schools, and for handicapped children guarantees.

4. A referendum may be held at specified times to raise the district's levy to any level the voters desire. If the voters authorize a continuing annual levy they may subsequently repeal it by a referendum called by petition.

5. Local district indebtedness for all purposes, including schools, is limited to 10 percent of the correct full and true market value as determined by the Equalization Aid Review Committee. Special laws authorize certain districts to exceed debt limits stated in Minnesota statutes.

STATE SUPPORT, 1972-73

MINNESOTA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total.	$644,123,340 (100%)		
SCHOOL FOUNDATION AIDS (Net Foundation Aid) (Permanent School Fund) (Total Foundation Aid Available including $20,000,000 AFDC)	$517,699,800 11,590,000 $529,289,800 (82.2%)		
CMS 1969, Sections 124-17, 124.212 as amended by Ch. 31, Exec. Session, Laws 1971			
Pupil Units..................	Resident pupils in average daily membership.	State share: Program calculation minus required local share; however, no district shall receive less than $215 per ADM or less than $750 per AFDC pupil unit. Also each district is guaranteed that the total revenue from foundation aid, per capita aid, exempt property reimbursement payment (under the sales tax) and the equivalent of 25 mills on agricultural property in the district will not be less than received from those same sources for the immediately preceding school year or during 1970-71.	Requirements for participation: Schools must be open to State Board of Education inspection and records and accounts open to the public examiners. Provide at least 9 months of instruction during the school year; furnish free textbooks.
Adjusted Maintenance Cost.....	State and local current expense for pupils exclusive of transportation, certain other programs, student fees and payments for school lunch.		
Basic Pupil Weightings........	0.5--Kindergarten or prekindergarten handicapped pupils		Extent of participation: 443 districts.
	1.0--Elementary pupils in either the 6- or 8-year program		Distributed: Ten percent of estimated current foundation aids paid to districts in each of the months from September through May with corrected final distribution in the following August.
	1.4--Secondary school pupils (grades 7 and 8 of a middle school are counted as secondary pupils)	Local share: Thirty mills* times the 1970 adjusted assessed valuation of the district (as determined by the Equalization Aid Review Committee); plus the amount of sales tax per capita payments made to the district pursuant Sections 297A.57 and 297A.55. For railroads and taconite properties, 30 percent of State 1971-72 payments are to be subtracted from the following year's foundation aid. For all others, in lieu of tax aids, 10 percent of the amount received by a district is to be subtracted from the foundation aid due the district the immediately following school year.	
AFDC Weightings...............	.5 additional pupil unit for each pupil from families receiving aid to families with dependent children or its successor program. This weighting is intended to meet the problems of educational overburden caused by broken homes, poverty, and low income.		
Pupil Unit Decrease...........	Where number of pupil units has decreased from prior year, the pupil unit count is calculated as equaling the average of the actual pupil units for the prior and current years.	*For any district which in 1970-71 spent less than $663 per P.U. in ADM, the Local Share Mill Rate = $\frac{\$87 + \text{Cost/P.U.}}{750}$ x 30 Mills	
Program Calculation and Per Pupil Guarantee.........	$750 or $87 plus 1970-71 cost per pupil unit provided that no district shall receive less than $215 per ADM in State funds or less than $750 per AFDC pupil unit. A district may receive $87 per P.U. in ADM in excess of its 1970-71 adjusted maintenance cost per P.U. ADM up to a maximum of $750.	(Example: District Spent $590 per P.U. in 1970-71 $\frac{590 + 87}{750} \times .03 = \frac{677 \times .03}{750} = .02708$ or 27.08 Mills Local Share)	

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
TRANSPORTATION AID (Sec. 124.22, Minnesota Statutes 1971)	$ 33,300,000 (5.2%)		
Reimbursement Aid.............	80 percent of cost to $80 per pupil transported or boarded. Up to $225 annually for actual total costs of transportation of mentally retarded or otherwise handicapped pupils and pupils attending a licensed daytime activity center.	State share: 100 percent of calculated amount. Local share: At least 20 percent of cost.	Requirements for participation. Same as above. Nonhandicapped children must live one mile or more from the school they could attend to qualify as eligible for reimbursement aid. Extent of participation: 443 districts. Distributed: In September.
AID FOR SPECIAL CLASSES OF HANDICAPPED AND TRAINABLE CHILDREN (Secs. 120.17 and 124.32 Minnesota Statutes, 1971, Ch. 853, Laws of 1967; Ch. 913, Subd. 1 and Ch. 981, Subd. 6, Laws of 1969; and Ch. 25, Subd. 33, Laws of 1971)	$ 21,233,136 (3.3%)		
Salary of Essential Personnel and $4,000 for Trainable....	Up to $5,300 for handicapped staff member, but not more than 60 percent of salary and a pro rata share for a part-time person.	State share: 100 percent of calculated amount. Local share: Minimum of 40 percent of salary for essential personnel for the State-defined program and all additional program costs.	Requirements for participation: Provide special education instruction and services locally or through another district, in a college or university laboratory school, institution. Extent of participation: 400 districts (est.). Distributed: As reimbursement in September.
Supplies and Equipment........	Cost of supplies and equipment up to $50 per child.		
VOCATIONAL EDUCATION (Sec. 124.57 Minnesota Statutes 1965)	$ 34,900,404 (5.4%)		
	Amount of approved expenditure.	State share: 100 percent of approved amount of pro rata share of the amount listed, plus Federal support for this program. Local share: All costs not covered by reimbursement.	Requirements for participation: Program must be organized and operated in accordance with State plan for Vocational Education. Extent of participation: 443 districts. Distributed: As reimbursement in September.
REIMBURSEMENT FOR PERSONAL PROPERTY EXEMPTED (Article XXXIV, Sec. 1, Minnesota Statutes, 1971)--School District's Share of $20,000,000	$ 10,400,000 (1.6%)		
Property Tax Relief...........	Each taxing district imposing a levy for taxes payable in 1972 shall receive a reimbursement in 1973 for personal property exempted from taxation by State law. The payment shall be in proportion to the value of each district's levy on totally exempted personal property.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Certify to the Commissioner of Taxation the 1971 levy payable in 1972 imposed by each taxing district on personal property exempted from taxation by State law. Extent of participation: 443 districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
REIMBURSEMENT FOR PERSONAL PROPERTY EXEMPTED--continued		Distributed: One-half on or before February 28, 1973 and one-half on or before July 15, 1973.
STATE PAYMENT OF AGRICULTURAL MILL RATE DIFFERENTIAL (Section 124.03, Minnesota Statutes 1969, as amended by Article XXXII, Section 1, Minnesota Statutes 1971) $ 15,000,000 (2.3%)		
Property Tax Relief........... 25 mills times the 1971 assessment on agricultural lands and real estate devoted to temporary and seasonal occupancy for recreational purposes and 8.3 mills times the 1972 assessment and subsequent assessments of such properties.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Certify to the Commissioner of Taxation the yield from the prescribed rates on agricultural and recreational properties. Extent of participation: 432 districts. Distributed: One-half on or before May 31, 1972 and the remainder on or before October 31, 1972.

MINNESOTA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1972-73

Provisions for Raising School Revenue

Property assessments: Valuations of property for purposes of taxation are determined by city, village, and township assessors under the direction of a county assessing officer. All assessments are subject to review by local boards of review and county boards of equalization. The Equalization Aid Review Committee, consisting of the Commissioner of Education, the Commissioner of Administration, and the Commissioner of Taxation, reviews the assessed valuation of taxation to ascertain the market value of taxable property within the district and adjust such values to determine the adjusted assessed valuation of property within the district.

Local districts: For 1972 collections a district shall levy in 1971 a tax which will yield not more than an amount equal to the product of the following serial multiplication: 30 mills times the ratio of the sum of the districts 1970-71 adjusted maintenance cost per pupil unit in ADM and $87 per pupil unit. ADM divided by $750 times the 1970 adjusted assessed valuation of the district. For 1973 collections a district shall levy in 1972 not more than the amount equal to the product of the following serial multiplication: 30 mills times the ratio of the sum of the 1970-71 adjusted maintenance cost per pupil unit in ADM and $125 per pupil unit in ADM divided by $750 times the 1971 adjusted assessed valuation of the district provided that the product may not exceed 30 mills times the 1971 adjusted assessed valuation of the district. This levy may be increased in any amount which is approved by the voters of the district. Such a referendum may be called only by the school board. A voter-authorized continuing annual levy may be subsequently repealed by a referendum called by petition.

In addition, each district may levy additional amounts as follows:

- Up to 8 mills on the adjusted assessed valuation for acquisition of sites and construction and equipping of school buildings. This millage is levied by the school board.
- Amounts necessary to make payment for bonds issued and for interest and for repayment of debt service loans and capital loans, and the amount authorized for liabilities of dissolved districts pursuant to MS, Section 122.45.

Amounts necessary to pay the estimated actual transportation costs of the district for the following school year less estimated State transportation reimbursement for the current year. The money raised by this additional levy may be used only for costs incurred in transportation which is partially reimbursable under Minnesota Statutes, Sections 124.22 and 124.32.

For purposes of the 1971 levy, collectible in 1972, any district in which the sum of $87 per pupil unit in average daily membership and the difference between the reimbursement entitlement per pupil unit in average daily membership for 1970-71 school year programs for handicapped children and the 1970-71 adjusted maintenance cost per pupil unit in average daily membership is greater than $750 per pupil unit, may levy an amount per pupil unit which is equal to or less than the difference between said sum and $750 per pupil unit. A district which is located in a city of the first class may not qualify for an additional levy that exceeds 1.5 mills times the adjusted assessed valuation of the district.

For purposes of the 1972 levy collectible in 1973, any district which qualified for an additional levy under the above paragraph, and in which the sum of the additional amount per pupil unit and $750 per pupil unit is greater than $788 per pupil unit may levy an additional amount per pupil unit which is equal to or less than $88 per pupil unit plus the difference between this sum and $788 per pupil unit. A district which is located in a city of the first class may not qualify for an additional levy that exceeds 1.5 mills times the adjusted assessed valuation of the district.

Each district or county maintaining a post secondary area vocational technical school may levy an additional levy exclusively for this school, but such levy in a district within a city of the first class may not exceed .5 mills times the adjusted assessed valuation of the district as determined by the equalization aid review committee for the year prior to the certification of the levy.

Approval and sale of bonds: No State approval is required. Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds and it is not necessary for them to be offered to a State agency. Funds available from the sale of bonds may be invested until needed.

Bond records, tax levies, and payments: The levies which must be made to retire school-bonded indebtedness are not restricted by the limits imposed on districts for their current program. Levies for retiring school-bonded indebtedness may be over and above the per capita limitations and the 8-mill levy for sites and buildings. Bond records are kept by the school board and the necessary levies for debt service are determined at the time of sale.

Short-term indebtedness: School Boards may, if necessary, incur indebtedness in anticipation of revenue included in the budget for the current year. If these revenues fail to materialize, the school district may issue interest-bearing orders which must be retired by additional tax levies made and included in the school budget for the year immediately following the year in which the orders are issued.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budget forms for all districts are prescribed and furnished by the State Department of Education. In all except 5 special and a few independent school districts, the local school fiscal year begins on July 1 and ends June 30.

Local approval: Local school officials are responsible for preparing local school budgets by October 10. This date is not required by law but the tax levy must be made by October 10. No other local or county agency is required to approve the budgets.

Provisions for School Budgets

State review or approval: Budget reports for districts maintaining graded elementary and secondary schools must be filed with the State Department of Education by November 30; however, the State Department has only advisory responsibilities regarding the budgets. Other districts are not required to file budgets with the State Department.

Provisions for School Audits

Audits are required annually for all school districts with graded elementary or graded elementary and secondary schools. Either a member of the staff of the public examiner or a public accountant makes the audit, a copy of which must be sent to the State Board of Education. Many districts have annual audits. The cost of school district audits is paid by the district.

MISSISSIPPI

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

MISSISSIPPI PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Ruby M. Thompson, Assistant Director, School Finance and Research, Mississippi State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 68.5 percent of the non-Federal revenue, including only State grants and county and local revenue receipts for county, local, and independent school systems, is provided by the State.

2. State funds for apportionment among the public school systems are obtained from legislative appropriation except for 0.1 of 1 percent which is derived from income earned by permanent school endowments.

3. Slightly in excess of 78 percent of the State-grant distributions is provided through the State public school foundation program fund.

4. Program factors recognized in the State foundation program include teachers' salaries, local and county administration, pupil transportation, other current expenses and the employer's part of social security, State retirement contribution, and district tax incentive.

5. Teachers' salaries in the foundation program provide $5,400 for a teacher with a BA and no experience, to $6,000 for BA and 6 years' experience. Teachers with MA degree must receive at least $5,700 with no experience, and $6,300 with 6 years' experience.

6. State payments to compensate school districts for homestead exemptions account for 6.0 percent of the State grants for public schools and 4.0 percent for capital outlay assistance.

7. The remaining State support is provided as follows: general use, 2.8 percent; vocational education, 5.5 percent; free textbooks, 2.0 percent; and Chickasaw School funds, .1 percent.

LOCAL SUPPORT

1. Approximately 93 percent of the county and local revenue for public school support is derived from property taxes.

2. Required district support for the foundation program is based on the district's index of taxpaying ability and the total amounts to be provided by all districts. Receipts from severance taxes are included as part of the local effort.

3. Local support for the foundation program is obtained from a countywide property tax levy in counties and from a district levy in separate school districts. No electoral approval is required.

4. District ad valorem taxes, limited to 25 mills, do not require electoral approval. The tax limit can be raised 3 additional mills on electoral approval.

5. Taxes for debt service may be levied over and above the limits for current operation.

6. School districts may issue bonds for school purposes up to 15 percent of the county-assessed valuation.

7. A special tax, not to exceed 2 mills, may be levied for indebtedness for making repairs, alterations, or additions to school plant; purchasing land and improving such land; and purchasing school heating plants. No electoral approval is required unless the indebtedness is adequately opposed by petition of the electorate.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances

Total $179,726,522 (100.0%)

MINIMUM FOUNDATION PROGRAM FUND (Ch. 5, Sec. 6248-01, Education Code; established in 1953, and amended in 1968) $142,142,000 (79.1%)

Scheduled amount per staffed teacher unit

Teacher preparation	Teacher experience: Beginning amount	Maximum amount	Years to reach maximum
1	2		3
Less than 1 year college	$1,800	$2,100	6
1, but less than 2 yrs.	2,400	2,700	6
2, but less than 3 yrs.	2,700	3,000	6
3, but less than 4 yrs.	3,536	3,836	6
BA or BS	5,400	6,000	6
MA or MS	5,700	6,300	6

After fiscal year 1971-72 no person holding a certificate of less than "A" classification (BA or BS degree) shall be eligible to teach in the public schools of the State unless special permission is obtained annually from the State Board of Education. MA or MS will add an additional increment of $100 each year for 3 years beginning in 1972-73.

Teacher units:	
Regular teachers..............	1 unit per each 27 pupils in ADA.
Vocational education..........	One-half unit per each such teacher.
Special education.............	One-half unit per each teacher of an approved class.
Local administration.............	$150 per teacher unit.
Current expense other than instructional staff salaries and pupil transportation.............	$550 per teacher unit.
County administration expenses...	$15,000 per county, plus $25 per each teacher unit after the first 50 units with total maximum of $20,000 per county.

State and local shares for support of the calculated State program allowance

State share: Calculated amount minus required local share. However, in no case shall the State portion be less than 40 percent of the total cost of the program.

Local share: Ad valorem tax determined by an index of financial ability applied to the statewide total amount to be derived from this source ($16,000,000). Index is the sum of:

.242152 x	County's percent of the assessed valuation of public utilities in the State.
.044144 x	County's percent of State total of motor vehicle license receipts (sold by sheriffs).
.065110 x	County's percent of State total value of farm products.
.142688 x	County's percent of State total personal income taxes paid in the state.
.222936 x	County's percent of State total gainfully employed nonfarm, non-Government workers.
.282970 x	County's percent of the retail sales tax paid in the State.

50 percent of severance tax receipts returned to the county.

The State does not include Public Law 874 funds distributed to local school districts in establishing local financial ability.

Requirements for and extent of school district participation and schedule for distributing State aid

Requirements for participation: Comply with standards and requirements as specified by State laws or regulations. Levy required taxes as determined by index of financial ability.

Extent of participation: All 150 school districts.

Distributed: Monthly.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
MINIMUM FOUNDATION PROGRAM FUND--continued		
Pupil transportation............ An allowance based on average per pupil cost of transportation in districts of comparable density.		
Retirement and social security contributions.................... Amount of employer's payment for social security, 3 percent of employer's payment for retirement. The local district must put up 1.5 percent.		
Incentive grant.................. (Professional salaries, supplies, and materials) Allot to each district that portion of $350 per teacher unit the district's State adjusted millage (true millage) is of 25 mills, not to exceed $385 per teacher unit. True millage is calculated by multiplying a district's actual millage by a State assessment ratio which utilizes an index of financial ability as the measure of district wealth.		
Pupils in nonprofit private or parochial schools................ Pupils enrolled in private schools may not be concurrently enrolled in a public school or counted in determining the amount of State aid for a district under this program.		
COMMON SCHOOL FUND (Sec. 6219, Code of 1942. First established in 1890.) $ 5,000,000 (2.8%)		
Nonrestricted use for schools.... Proportion of school census children, 6-20 years of age, inclusive, in the district. (Provides about $7 per census child.)	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Take a census of all children 6-20 years of age, inclusive, as requested by State Department of Education. Extent of participation: 150 school districts. Distributed: As one monthly payment of the State Minimum Program or the Per Capita Fund.
HOMESTEAD EXEMPTION FUND (Ch. 261, Laws of 1946) $ 10,700,000 (6.0%)		
Nonrestricted use for schools.... Local tax rate multiplied by value of homestead exemptions.	State share: Calculated amount limited to maximum tax rates of 15 mills for municipally separate school districts and 20 mills for county districts.	Requirements for participation: Districts must levy a property tax. Extent of participation: 150 school districts.

STATE SUPPORT, 1971-72

MISSISSIPPI

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
HOMESTEAD EXEMPTION FUND--continued	Local share: No local share, but current local school tax rate determines the State amount.	Distributed: Twice a year--in September and March.
STATE PUBLIC SCHOOL BUILDING FUND (Ch. 13, Senate Bill 1204, Laws of 1953. Established in 1953.) $ 7,200,000 (4.0%)		
Capital outlay and debt service.. Twelve dollars per child in ADA.	State share: 100 percent of calculated amount. An advance of up to 75 percent of the estimated amount that will accrue within 20 years from the date of the advance is authorized. Local share: None.	Requirements for participation: District organization, location of school attendance centers, plans and specifications of proposed and existing facilities, desirable consolidation, and method of financing must be approved by the State Educational Finance Commission. Extent of participation: 150 school districts. Distributed: As payments are authorized.
VOCATIONAL EDUCATION FUND (Sec. 6487, Code of 1942. First established in 1917.) $ 9,840,000 (5.5%)		
Vocational education............. (To be expended for teacher training, Junior Colleges and public schools, grades 1-12) Amount of teachers' salaries determined in relation to district land area, enrollment, and teacher training and experience.	State share: Up to 50 percent of calculated amount. Federal funds for vocational education are provided in addition to the State amount shown. Local share: All costs not covered by reimbursement.	Requirements for participation: District must be offering vocational education courses which meet State standards. Extent of participation: 150 school districts. Distributed: Semiannually on the basis of approved applications.
STATE TEXTBOOK FUND (Ch. 202, Laws of 1940) $ 3,655,335 (2.0%)		
State Textbooks.................. Proportion of ADA for grades 1-12 in the district in public schools and in other schools.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Books must be distributed and loaned free of cost to children in the public schools and to all other schools which maintain educational standards equivalent to those prescribed for the public schools. Extent of participation: 150 school districts. Distributed: As textbooks.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
CHICKASAW SCHOOL FUND $ 62,000 (0.1%) (Secs. 211 and 212, Art. 8, Constitution. First established in 1890.) Current expense, grades 1-12..... Amount differs for school districts, but each district receives the same amount each year. Payment for nonreceipt of 16th section land in counties in the Chickasaw Area.	State share: 100 percent of specified amount. Local share: None.	Requirements for participation: County must be in Chickasaw Area and not have received 16th section land grants. Extent of participation: 45 counties. Distributed: Annually.
DRIVER TRAINING PENALTY ASSESSMENT $ 650,000 (0.4%) (6232-71 through 6232-80, Education Code) Current expense of driver training program, grades 9-12............ Maximum $30 per pupil completing course.	State share: 100 percent of calculated amount. Local share: Difference in cost of driver education program and State allotment.	Requirements for participation: District must offer driver training courses which meet State standards. Students must be 14 years of age and enrolled in grades 9, 10, 11, or 12. Extent of participation: 295 public schools. Distributed: 3 payments; close of first and second semester and close of summer school.
SCHOOL LUNCH FUND $ 439,687 (0.2%) (HB 1258, Reg. Session 1971) School lunch and school expense, grades K-12......................	State share: 4-percent matching required as provided under National School Lunch Act-Disbursed on basis of ADA. Local Share: Cost of school lunches.	Requirements for participation: District must participate in the National School Lunch Program. Extent of participation: All districts. Distributed: 3 payments; January, May, and June.
SCHOOL HEALTH FUNDS $ 37,500 (0.1%) (SB 267, Chapter 62, Laws of 1944) For the purpose of the State......Board of Health and the State Department of Education to cooperate in a program of school health for children preschool through 18 years. Fifty percent of actual pupil medical expense based on established Blue Cross allowance for particular medical service.	State share: 50 percent of the cost of medical expense. Local share: 50 percent of the cost of medical expense.	Requirements for participation: Medical service performed for a child of preschool age through 18 with local districts supplying 50 percent of cost. Extent of participation: Health services were paid for 2,792 children in 1969-70.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL HEALTH FUNDS--continued		Distributed: Payments made after claim has been filed. The payment is made directly to the doctor, not to the school district.

MISSISSIPPI

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: The county assessor, who is elected for a term of 4 years by popular vote, assesses all property in the county, including cities. The county board of supervisors reviews this assessment and has the authority for making adjustments. The reviewed assessment is then submitted to the State Tax Commission for review. The State Tax Commission has authority to require an adjustment in assessments and it may require a raising of assessments for a particular class of automobile, cutover lands, cultivated lands, etc., in order to equalize with other counties of the State. The State Tax Commission does not attempt to make adjustments of individual pieces of property. Cities may make their own assessments for the purpose of levying city taxes. Usually this assessment is higher than the county assessment on the same property.

Intermediate districts: Under the new school laws each county, exclusive of the separate districts in the county, is required to make a local ad valorem contribution in an amount determined by an index of financial ability. At the present time, the levy required to produce this local contribution averages about 10.5 mills over the State. Sixty-eight of the 82 counties are now organized into county units. One county has been organized into a special municipal separate district covering the entire county, and two counties have been organized into municipal separate districts covering the entire county. This leaves 11 counties that are intermediate insofar as the school organization is concerned. Regardless of how a county is organized, the local ad valorem contribution for the minimum foundation program is obtained from a countywide levy. This levy requires no vote of the people. Counties do not issue bonds for school buildings and do not have any levy for school maintenance other than that required for the local contribution.

Approximately one-half of severance taxes returned by the State to counties are included as part of the required local contribution for support of the Minimum Foundation Program Fund. This amounts to approximately $1,700,000, annually.

Local districts: Separate school districts do not participate in a countywide levy and are required to levy sufficient taxes to pay their part of the local ad valorem contribution required by the State program. In addition to this local contribution levy, these districts may have another levy for school enrichment purposes above those provided by the minimum foundation program. No vote of the people is required. The total levy for the foundation program and for enrichment is 25 mills. An additional 3 mills may be levied if approved by the electorate. Bonds may be issued not to exceed 15 percent of the assessed valuation. Levies for retiring these bonds are not included in the 25-mill limit.

Local districts, other than separate districts, although they are subject to the countywide local ad valorem levy, may levy additional taxes for enrichment purposes beyond those provided for the State foundation program. Without electoral approval, local district levies cannot exceed the difference between the county local contribution levy and 25 mills. This limit may be increased to 28 mills with voter approval. Boards of supervisors are permitted to make the enrichment levy on the request of the school board trustees and without the vote of the people. A large number of the local districts of the State receive some 16th section land revenues. Sixty-eight counties are organized as countywide units and hence are local districts, but at the same time must maintain a countywide levy for the local ad valorem contribution. These districts may issue bonds under the same limitations as those given above for separate school districts.

Initiating bond issues: Bond issues may be requested by either the trustees of the school district affected or by a petition signed by not less than 10 percent of the qualified voters of the district. In either case, the holding of the election is mandatory on the governing authorities. Bonds may be issued for buildings, repairs, equipment, grounds, and necessary expenses connected with acquiring such items. School bond issues are not required to be approved by any other State or local agency.

Limitations on issuance of bonds: All school bonds are serial. The maximum number of years for which they may be issued is 25.

Limitations on debt: School bonds may be issued for capital outlay purposes up to 15 percent of the local assessed valuation of the school district. This limit is provided in the statutes. No State executive agency has authority to approve a higher limit in special cases.

However, boards of trustees of any school district are authorized to obligate the district for "Emergency Indebtedness for Capital Outlay or Repairs to Buildings or Equipment," up to the amount which can be financed by a 2-mill levy. This is in addition to the 15-percent limit. To issue notes or certificates of indebtedness under this provision, the district board of trustees must adopt a resolution declaring the necessity for such borrowing and indicate the amount to be borrowed. Such resolutions must indicate the nature and approximate cost of the alterations, additions, and repairs to be made; the heating plant, fixtures, and equipment necessary to be purchased; or the land to be purchased. The board must declare in its resolution that no funds are available in the school funds for the district or from any other source with which to make such expenditures.

Voting requirements: Bonds may be issued if a majority of the qualified voters of the district sign a petition requesting the bond issue. If the issue is submitted at an election, a three-fifths majority of the qualified electors voting in a district must vote favorably before it is authorized.

Approval and sale of bonds: School district bond issues are not required to be approved by any other State or local agency. The bonds are usually sold on a fixed interest basis. It is not necessary that bonds be offered first to a State agency and no State assistance is available in the selling of bonds. If there is no immediate need for the funds from the sale of bonds, these funds may be invested.

Bond records, tax levies, and payments: When bonds have been issued, taxes necessary for retirement are over and above the limit of tax levies placed for current support. The county board of supervisors handles the bond records and retirement for consolidated school districts and special municipal separate districts. A special levy of up to 2 mills shall also be made to retire the notes or certificates of indebtedness issued for "Emergency Indebtedness for Capital Outlay or Repairs to Buildings or Equipment."

Short-term indebtedness: Separate school district boards for municipal separate districts, and county boards of supervisors for consolidated schools, may borrow funds in anticipation of current revenues, but must repay such loans during the current year. One exception is the borrowing of funds for the purchase of school buses. Repayment of these loans for buses may be made on an annual payment basis not to exceed 6 years. The State Board must approve this transaction. Repayments are made out of current transportation funds.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: The State Department of Education prescribes budget forms to be used by school districts. Both State and school fiscal years begin on July 1 and end on June 30.

Local approval: The board of trustees of each school district, exclusive of municipal separate school districts, shall prepare a budget of estimated revenues and expenditures for the fiscal year commencing July 1. Such budget must be approved by the county superintendent. Budgets of municipal separate districts are not subject to the approval of the county superintendent. Local budget approval must be given by the local board of education before July 15. There is no requirement that budgets be posted or published. Expenditures for each item of the budget must be published or posted monthly.

State review or approval: Budgets are filed with the State Department of Education by July 15. This agency reviews the budget to make sure that proposed expenditures do not exceed the expected income.

Provisions for School Audits

State Department of Audit must audit school funds in all counties. Municipal separate school districts are audited by independent accounting firms.

MISSOURI

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

MISSOURI PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. John W. Alberty, Director, School Finance and Statistics, Missouri State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. For 1969-70, approximately 34 percent of the non-Federal revenue including only State, county, and local revenue receipts for local school systems, was provided by the State.
2. For 1969-70, about 80.3 percent of State funds apportioned for public elementary and secondary schools and for junior colleges was provided through legislative appropriation. Of the remaining, 19.6 percent was obtained from cigarette taxes with a small additional amount of about .01 percent obtained from the earned income of public school funds.
3. For 1971-72, approximately 81.4 percent of the State money appropriated for school districts was provided through Minimum Guarantee (Foundation Program), 7.7 percent was appropriated for the "Transporation Aid Portion," 3.8 percent was appropriated for Free Textbook Fund, 4.3 percent was appropriated for Exceptional Pupil Aid, 2.1 percent was appropriated for State Vocational Aid.
4. Other State aids were provided for Reorganization Building Aid, City Teacher Training, Building Abandonment Aid, Central Building Aid, and Matching Fund for National Food Act.

LOCAL SUPPORT

1. For all practical purposes, local school support is derived from the property tax. There are no nonproperty taxes authorized to be used for school support.
2. Local school systems are required to levy a tax of 10 mills for school support to participate in the State School Monies Fund.
3. Property tax levies for the current operating program, based on local assessments adjusted as necessary by State Assessment ratios, may not exceed 6.5 mills in rural districts and 12.5 mills in six-director districts without a vote of the people. Three times these limits may be voted for 1 year by a majority of the participating electors and additional levies without limit but for only a 4-year period may be approved by a two-thirds majority of the qualified voters participating in the election.
4. All school bond issues must be approved by a two-thirds majority of the qualified electors participating in the election.
5. The constitution limits the total school debt to 10 percent of the assessed valuation of taxable property in the district plus the value of the State-assessed utilities.
6. Tax levies for debt service are outside of the levy limits prescribed for the current operating program.
7. The rates of taxation approved at the last previous election shall continue unless the school district is proposing a higher operating tax levy. The board of education shall be free to submit a higher tax rate to the qualified electors for their vote at any time.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total	$325,135,011 (100.0%)		
STATE SCHOOL MONIES FUND-- Minimum Guarantee (Section 163.031 Paragraph 1 RS Mo. 1969)	$264,783,594 (81.4%)		
Current expenses, grades K-12....	Participation is based on resident pupils; the pupil's home district must, under the law, be responsible for the tuition of the pupil. The amount of aid for each district is determined by multiplying the resident average daily attendance (ADA) of pupils in grades K-12 by $400, plus number of Aid to Dependent Children times $125, and number of orphans times $125.	State share: 100 percent of calculated amount minus local share. Local share: Yield of $1.25 tax for each $100.00 of completed assessed valuation of property in the district the proceeding year equalized to 30 percent together with an amount determined by multiplying $1.25 times the amount received for school purposes the previous year from railroad, telegraph, and other utilities divided by $1.25 or the average rate for the county for school purposes, whichever is greater, for the year for which the application for State aid is made plus intangible and all other taxes based on assessments distributed by the State Tax Commission.	Requirements for participation:* In order to qualify for participation in State foundation program of which this distribution is a part, school districts must operate schools for a minimum of 180 days, including legal holidays and days legally authorized for teachers' meetings; with a minimum of 174 days in session not counting legal holidays and days legally authorized for teachers' meetings; maintain adequate and accurate records of attendance, personnel, and finances as required by the State Board of Education. Extent of participation: 620 of the total 628 school districts were apportioned money under this fund in 1971-72 (Est.). Distributed: Three times a year: September 15, December 15, and March 15.
Incentive payment................	This money ($14 times resident ADA) combined with money for districts which levy a property tax of at least $3.50 (per $100) on property assessed at 30 percent of true value less deductions, defined in Section 163.031 paragraph 2, RS Mo. 1969. At least 80 percent is to be expended for teachers' salaries, and not in excess of 20 percent may be placed in the incidental fund.		
STATE SCHOOL MONIES FUND-- Transportation Aid Portion (Sec. 163.161 RS Mo., first established in 1931)	$ 25,187,142 (7.7%)		
Per pupil allowance for transportation..................	District participation is based on a per pupil per month allowance determined, as indicated below, in accordance with the number of pupils transported per mile traveled. The State allowance may not exceed the cost of transportation.	State share: Calculated amount. Local share: None, other than the 12.5 mills described in the Minimum Guarantee Portion.	Requirements for participation: Resident and non-resident high school pupils and resident elementary pupils must be transported one mile or more over approved routes.

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*School district participation data are based on estimates for 1971-72 fiscal year.

Provisions for the distribution of State funds for the public schools and for program participation

<table>
<tr><th colspan="2">Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td>STATE SCHOOL MONIES FUND--continued</td><td><table><tr><th>Pupils transported per mile traveled</th><th>Allowance per pupil per month</th></tr><tr><td>0.0 to 2.9</td><td>$8.00</td></tr><tr><td>3.0 to 3.9</td><td>$5.00</td></tr><tr><td>4.0 to more</td><td>$4.00</td></tr></table></td><td></td><td>Distributed: Three times a year: September 15, December 15, and March 15.</td></tr>
<tr><td>STATE SCHOOL MONIES FUND--Building Abandonment Aid Portion
(Sec. 163.101 RS Mo.)</td><td>$ 24,000 (0%)</td><td></td><td></td></tr>
<tr><td>Construction of new schools......</td><td>An allowance of $1,000 is made for each elementary school building in a district which has been abandoned during the year in connection with the construction of a new school. This money must be placed in the building fund from which expenditures can be made for maintenance as well as capital outlay.</td><td>State share: 100 percent of calculated amount.
Local share: None.</td><td>Requirements for participation: An elementary school building must have been abandoned and the children transferred to a new central school.
Extent of participation: 12 school districts.
Distributed: Three times a year: September 15, December 15, and March 15.</td></tr>
<tr><td>FREE TEXTBOOK FUND
(Sec. 170.051 RS Mo., first established in 1913)</td><td>$ 12,383,742 (3.8%)</td><td></td><td></td></tr>
<tr><td>Purchase textbooks and instructional materials..........</td><td>The total school-age pupil enumeration is divided into the appropriation to find the amount per enumerated pupil. This amount is then multiplied by the number of enumerated pupils in each district.</td><td>State share: 100 percent of calculated amount.
Local share: None.</td><td>Requirements for participation: District enumeration of children from 6 to 20 years of age, inclusive.
Money from this source must be used for the purchase of textbooks and instructional materials in the district and may be used for grades 1-12. However, when used for grades 1-12 funds must be applied in the following order as the amount permits: First, elementary school textbooks; next, either high school textbooks or elementary school supplies; and, lastly, high school supplies.
Extent of participation: All 628 (Est.) school districts.
Distributed: Funds distributed on or before October 1 of each year.</td></tr>
</table>

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
EXCEPTIONAL CHILDREN'S FUND (Sec. 163.151 RS Mo.) $ 14,005,208 (4.3%)		
Exceptional Pupils............... State support for exceptional pupils is provided on the basis of $3,500 per approved mentally exceptional class, $400 per State aid pupil for homebound instruction, $3,500 per approved emotionally or socially exceptional class, $3,000 per professional staff member excluding special education classroom teachers, and $6,000 per approved physically exceptional class.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Classes must be approved and meet State standards. Approvable class size varies as follows: orthopedically handicapped, 10 to 20 children enrolled; deaf, 6 to 9 children; hard-of-hearing, 6 to 14 children; blind, 6 to 8 children; partially seeing, 6 to 12 children; mentally retarded, 10 to 20 children; speech correction, 80 to 125 children; learning disabilities (minimal brain dysfunction) 6 to 9 children; and emotionally disturbed and/or socially maladjusted, 10 to 20 children. Requests for reimbursement must be accompanied by supporting information. Extent of participation: (Est.) 300 school districts. Distributed: Three times a year: September 15, December 15, and March 15.
REORGANIZATION BUILDING AID FUND (Sec. 163.121, RS Mo.) $ 221,000 (.1%)		
Construction..................... An apportionment not to exceed $100 per pupil enrolled and a total of $50,000 is allowed, provided that it may not exceed half the cost of the building.	State share: Calculated amount not to exceed half of the cost of the building. Local share: Remainder of cost of building.	Requirements for participation: School construction plans and construction needs in recently enlarged districts must be approved by the State Board of Education. Extent of participation: 20 school districts. Distributed: Three times a year: September 15, December 15, and March 15.
VOCATIONAL EDUCATION FUND (Sec. 178.530 RS Mo.) $ 6,933,325 (2.1%)		
High school vocational programs.. Reimburse districts for part of cost of conducting vocational programs in high schools for the preceding year.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Vocational programs must be organized which meet standards prescribed in the State plan for vocational education. Extent of participation: 390 school districts. Distributed: Reimbursement upon application.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
CITY TEACHER TRAINING FUND (Sec. 163.171)	$ 970,000 (.3%)		
Teacher training.................	The amount to be apportioned to a participating school district is determined by multiplying the number of teachers employed in the city by half the amount obtained by dividing the total amount appropriated to State colleges for teachers' salaries during the preceding biennial period by the total number of teachers employed in the State as shown by the last annual apportionment of public school monies by the State Board of Education.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Cities having a population of 75,000 may establish teacher-training schools. Extent of participation: One school district. Distributed: Apportionments made in August for preceding year.
CENTRAL BUILDING AID FUND (Sec. 163.111 RS Mo.)	$ 2,000 (0%)		
Approved central high school.....	One-fourth of the cost, up to $2,000, is allowed toward the construction cost of an approved central high school building. The amount allowed is made available when the new building has been constructed according to approved plans.	State share: One-fourth of the cost. Local share: Remainder of the cost.	Requirements for participation: Plans for a new central high school building must be presented and the building constructed. Extent of participation: 2 school districts. Distributed: Three times a year: September 15, December 15, and March 15.
NATIONAL SCHOOL LUNCH ACT (Appropriation is included in H.B. #2)	$ 625,000 (.2%)		
For school lunches...............	For matching Federal funds in carrying out the provisions of National School Lunch Act amended in 91st Congress, Second Session, 1970, Public Law 91-248.	State share: 100 percent of the matching requirement. Local share: Difference between program cost and the Federal and State share.	Requirements for participation: Approved program following provisions of National School Lunch Act. Extent of participation: 2,820 schools. Distributed: Monthly.

MISSOURI

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations are established by elected township or county assessors. County boards of equalization have authority to change assessments, and the State Tax Commission has authority to adjust valuations. Whenever the assessed valuation within a county has been increased by 10 percent or more over the prior year's valuation, the tax rate must be reduced so as to produce substantially the same amount of revenue that was produced under the old assessments and rate.

The State Tax Commission conducts assessment ratio studies to determine variations in the level of assessment among the counties. This assessment ratio provides a basis for the issuance of equalization orders to those counties with a level of assessment differing from the prescribed standard. The county board of equalization is required to change its assessment within the county to conform to the equalization order.

All monies received from fines and forfeitures, together with any interest on county permanent funds, are distributed to schools each year on the basis of enumeration. Monies received from county average tax levies on State-assessed utility property are distributed to local school districts partially on an enumeration basis and partially on a tax levy-ratio basis.

Tax limits are based on the local assessments. Since the State Tax Commission is authorized to adjust valuations by counties, to a degree, there is State equalization of valuations.

Other than receipts from tuition and transportation payments from patrons, local receipts for food services, and revenue from investment of balances not needed for six months, there are no other significant sources of local school income.

Provisions for School Indebtedness

Initiating bond issues: School bond issues are initiated by the local boards of education or by petition.

Limitations on issuance of bonds: Serial bonds may be issued for a period of 20 or less years.

Limitations on debt: The constitution limits the legal debt to 10 percent of the locally assessed valuation plus the valuation of State-assessed utilities. No State executive agency can fix the debt limit or approve a higher limit in special cases.

Voting requirements: All school bond issues must be approved in the annual school meeting or a special election by a two-thirds majority of the qualified electors who participate in the election.

Approval and sale of bonds: After the bonds are approved and prior to their sale, they are required to be registered in the office of the State Auditor. Bonds are usually sold at a fixed interest rate on the yield basis. There is no restriction as to first offering bonds to a State agency for purchase. Although the State does not have an established plan for assisting school districts with the sale of bonds, districts may obtain consultative suggestions through the building service section of the State Department of Education. Money from the sale of bonds not needed for immediate use may be invested.

Bond records, tax levies, and payments: Levies for debt retirement are in addition to those for current school program. Local school boards keep the records of school bond issues and determine the levies which must be made each year for retiring bonded indebtedness.

Short-term indebtedness: There are no provisions for incurring temporary indebtedness for school purposes. The board of education of a school district having within its boundaries a city of 75,000 up to 700,000 inhabitants may, by majority board action, borrow money, and issue negotiable notes payable out of revenue derived from school taxes for the purposes of such money for any year in which such notes were issued.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Budget and related forms, as well as assistance in the use of these forms, are to be provided by the State Department of Education. It is not mandatory that these forms be used; but since they have been developed cooperatively by State and local school officials, most districts voluntarily use the forms. The school fiscal year begins on July 1 and ends on June 30.

Local approval: Each school district is required to prepare a school budget, but it is not necessary to post or publish a copy of the budget or to file a copy of the document with another governmental agency or unit. Budget decisions of the local boards of education are final. Funds authorized for expenditure must be within the amount of estimated receipts and balances.

Budgets applicable to common school districts must be acted on by the local board by March 1. Such budgets can only be modified with the written approval of the county superintendent.

State review or approval: No State agency has any authority for review of school budgets. It is not required that copies of the budgets be filed with any State agency except for those districts under supervision of the county superintendent. In such cases, the budget and actual financial data are filed following the completion of the school year for which reported receipts and expenditures are applicable.

Provisions for School Audits

Biennial audits are required by Sec. 165.121, RSMo., 1966. The audit is to be filed with the State Department of Education, the county superintendent, and the local board of education, and a summary thereof published. In addition, audits may be authorized when a petition is presented requesting the State Auditor to conduct an audit. The cost of audits is a local school district obligation.

MONTANA

PUBLIC SCHOOL FINANCE PROGRAM, 1970-71

MONTANA PUBLIC SCHOOL FINANCE PROGRAM, 1970-71 is part of a series of individual State documents, cooperatively prepared by the State departments of education and U.S. Office of Education, providing current program facts on State and local support for local school services. Robert [illegible]. Stockton, State Aid Distribution Supervisor, Montana State Department of Public Instruction, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 25 percent of the non-Federal revenue for local elementary and secondary schools, including only State, county, and local revenue receipts, is provided by the State.

2. About 47 percent of the State grants for public school support is provided through appropriation from the State general revenue fund; 18 percent comes from permanent school endowment income; and 35 percent from a quarter of the individual income tax payments and corporation license taxes and a half of the United States oil and gas royalty receipts. Less than 1 percent is from fees, fines, and forfeitures related to motor vehicle operation and violations.

3. State grants distributed through the Equalization Aid Fund account for 75 percent of the State money distributed for public school support.

4. Elementary school districts receive State financial support through an apportionment based on a census of persons 6 to 20 years of age living in the district. The census apportionment counts toward the State's share of the foundation program, hence reduces the amount of State Equalization Aid paid to districts through the foundation program formula.

5. Other State-support funds provide financial assistance for pupil transportation, vocational education, driver education, and education of pupils whose parents are resident employees of certain State institutions.

LOCAL SUPPORT

1. An estimated 92 percent of the local district and county revenue for public school support is derived from property taxes. Of this amount 53 percent is from local district taxes and 47 percent is from taxes levied by the county.

2. Revenue from sources other than property taxes amounts to about 4 percent of the total local-county revenue and is derived from tuition, rentals, interest, lunch receipts, and other miscellaneous items.

3. A county tax effort of 25 mills for elementary schools and 14 mills for high schools is required to qualify for State equalization payment under the State Foundation Program. Counties must also levy taxes for high school transportation and retirement purposes.

4. Elementary and high school districts may also levy taxes to produce an amount up to 25 percent above the foundation level without electoral approval.

5. Amounts for general operation and maintenance budgets in excess of 25 percent of the foundation program may be levied with the electorate's approval. The amount that may be approved is not limited by law. Approval must be obtained annually.

6. Taxes for pupil transportation, debt service, bus depreciation reserve, tuition, nonoperating districts, and teacher retirement may be levied without electoral approval. The amount that may be approved is not limited by law.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total	$38,386,108 (100.0%)		
STATE EQUALIZATION AID (Secs. 75,1713.1, Ch. 36 of Title 75, 75-3706, 75-4516.1, 75-4518.1, 75-5003 R.C.M. 1947 as amended)	$29,265,686 (76.2%)		
Current expense, grades 1-14....	Based on average number of pupils belonging (ANB). Figures listed are maximum budget amounts without a vote of the electorate. The foundation program is defined to be 80 percent of these figures.	State share: Foundation program minus local share. Total amount of foundation program revenues available for support of the foundation program, including the State grant for this distribution and the State Interest and Income Fund, is divided by the calculated statewide amount of the foundation program. Where the ratio of county funds available for support of the foundation program to the program amount in all the districts in the county is less than the State ratio, funds from the State are provided in support of such proportionate part of the foundation program. Elementary: State Interest and Income is considered local money and is added to county funds available for support of the foundation program. The sum is deducted from the foundation program amount to determine the State Equalization Aid. High school and community college: Foundation program minus local share (county funds) = State Equalization Aid. Local share: 25-mill basic countywide levy for common schools (elementary grades) 15-mill basic county tax for high schools. Other sources of local district income, including miscellaneous revenues, receipts from Federal grazing and forestry lands. (U.S. mineral, oil, and gas royalties are in State, not district, sources.) County taxes described, or at least as much thereof as need to support 100 percent of the foundation program cost, are required for participation. The county distributes receipts from the basic county taxes for schools in proportion to calculated foundation program requirements for the districts after deducting the State Interest and Income Fund local receipts.	Requirements for participation: Counties must make necessary tax levies. Funds provided may be used for current operating purposes and not for debt retirement, adult education, kindergarten, recreation programs, school lunch and cafeteria, new buildings and grounds, or pupil transportation. Classes for mentally retarded or physically handicapped children are eligible for approximately 3 to 6 x the support of regular classes, provided special approval is obtained. Extent of participation: Estimated 487 elementary districts and 163 high school districts. Distributed: In 2 payments in January and June.
Elementary school (ANB)			
1-9..........................	$7,411		
10-17........................	$7,411 for the first 9 pupils, plus $232.00 for each added pupil.		
18-25 (1 teacher)............ (No credit for more than 25)	$9,496 for the first 18 pupils, plus $320.00 each additional pupil.		
18-50 (2 teachers)........... (No credit for more than 50)	$16,796 for first 18 pupils, plus $209.00 each additional pupil.		
41-100 (3 or more teachers)..	$580.20 per pupil decreased by $.43 per pupil for each pupil above 41.		
101-300......................	$554.00 decreased by $.51 per pupil above 101.		
301 or more..................	$451.35 per pupil.		
High school and Community College (ANB)			
24 or less...................	$35,440		
25-40........................	$1,476.35 per pupil reduced by $9.75 for each pupil above 25.		
41-100.......................	$1,320.35 per pupil reduced by $6.60 for each pupil above 41.		
101-200......................	$923.75 per pupil reduced by $2.15 for each pupil above 101.		
201-300......................	$708.75 per pupil reduced by $.49 for each pupil above 201.		
301-600......................	$660.00 per pupil reduced by .125 for each pupil above 301.		
601 or more..................	$546.00 per pupil.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
High school and Community College--continued		If State Equalization Aid should be insufficient to meet foundation program requirements, a county levy must be made (without a vote) in the amount of the deficiency. (Would be 6 percent of the foundation program in 1970-71.)	
Special Education for Mentally Retarded and Physically Handicapped Children................	Same amount per ANB as specified for the State Foundation Program Fund, based on an allowance of 6 ANB per child (not to exceed 45 ANB) for each specially approved class for mentally retarded or physically handicapped. Additional weighted ANB allowed for other approved special education programs, such as speech therapy, home or hospital tutoring, school-at-home telephone communication, is determined by State schedule for the time required and is not to exceed 6 for each child enrolled in such program. The allowable cost of transportation for such children is based on a State schedule of allowances.	State share: Amount depends on State share of the school district's foundation program, since special education ANB must be combined with regular ANB in determining the amount of the foundation program and 2/3 of amount of transportation allowance. Local share: County pays proportionate amount for the extra ANB included in the district's foundation program. County pays remaining 1/3 of amount for transportation of mentally retarded and physically handicapped children.	
Public school services for pupils enrolled in non-profit private schools................	Pupils enrolled in private schools and attending classes in a public school are counted as ANB for the proportionate time spent in the public school, and this ANB is included in determining the amount of State aid for which a district may qualify.		
INTEREST AND INCOME (Sec. 5, Art. XI, State Constitution and Secs. 75-1315, 1523, 1524, 1903, and 1904, R.C.M., 1947)	$ 6,900,000 (18.0%)		
Current expenses, grades 1-8....	Amount per school census child 6-20 years of age, inclusive, in qualified districts.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Elementary district must operate a school and report the number of persons in the district 6 to 20 years of age, inclusive. Extent of participation: Estimated 700 elementary school districts. Distributed: Annually in February.

Provisions for the distribution of State funds for the public schools and for program participation

<table>
<tr><th colspan="3">Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td>TRANSPORTATION AID
(Ch. 34, Title 75, Sec. 75-5003, R.C.M. 1947 as amended)</td><td>$ 1,300,000</td><td>(3.4%)</td><td></td><td></td></tr>
<tr><td>Transportation..................</td><td colspan="2">Amount per day per child in relation to distance between home and school -
Individual Transportation
<table>
<tr><th rowspan="2">One-way distance home-to-school (miles)</th><th colspan="3">Amount per day per child</th></tr>
<tr><th>One child in household</th><th>Each added child in house-hold</th><th>Maxi-mum per house-hold</th></tr>
<tr><td>3-5</td><td>$.30</td><td>$.12</td><td>$ .66</td></tr>
<tr><td>5-7</td><td>.36</td><td>.12</td><td>.84</td></tr>
<tr><td>7-12</td><td>.48</td><td>.12</td><td>1.08</td></tr>
<tr><td>12 or more</td><td>.60</td><td>.12</td><td>1.20</td></tr>
</table>
This individual schedule may be increased on the basis of isolation, on approval of board of trustees, county Transportation Committee, and State Superintendent. Increased payments range from 25 percent to 100 percent of individual schedule, depending on degree of isolation.
<table>
<tr><th>Rated pupil capacity of bus</th><th>Maximum amount per bus mile</th></tr>
<tr><td>6 or fewer</td><td>$.12</td></tr>
<tr><td>7-11</td><td>.15</td></tr>
<tr><td>12-30</td><td>.20</td></tr>
</table>
Maximum per mile allowance for buses rated above 30 is $.20 for the first 30 pupils, plus $.005 for each additional pupil above this number.

For maximum State reimbursement, bus must transport at least 75 percent of its rated capacity in eligible transportees.</td><td>State share: 1/3 of statutory schedule, and 2/3 of transportation expense for mentally retarded and physically handicapped children.

Local share: County pays 1/3 of statutory schedule amount for elementary pupils, 2/3 of the statutory schedule amount for high school pupils, and balance of expense for transporting mentally retarded and physically handicapped children. Elementary school districts pay the remaining 1/3 of statutory schedule amount from district taxes. School districts providing bus transportation programs may expend funds in excess of the statutory schedule amount. Such excess is financed by district taxation.</td><td>Requirements for participation: Children must live at least 3 miles from school.

Extent of participation: Estimated 487 elementary districts and 163 high school districts.

Distributed: In December and June.</td></tr>
<tr><td>DRIVER EDUCATION AID
(Secs. 31-114, 94-801.2, and 32-1131 R.C.M., 1947, as amended; Ch. 53 of Title 75)</td><td>$ 300,000</td><td>(0.8%)</td><td></td><td></td></tr>
<tr><td>Driver Education................</td><td colspan="2">Amount per pupil completing the program is determined each year on the basis of student completions and State revenue collections.</td><td>State share: 100 percent of calculated amount to a maximum based on the amount expended for pupils completing the course derived from earmarked revenue, from fees, fines, and forfeitures related to vehicular operation and violation

Local share: All costs not covered by reimbursement.</td><td>Requirements for participation: Course must be State-approved, meet basic course requirements, and be taught by a properly qualified teacher of driver education.

Extent of participation: Estimated 90-school districts.

Distributed: After completion of course on the basis of approved applications.</td></tr>
</table>

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
VOCATIONAL EDUCATION AID (Ch. 77, Title 75, R.C.M. 1947) $ 480,000 (1.3%) Vocational Education........... Annually determined percentage of approved expenditures.	State share: Percent of approved expense as funds allow. Federal funds for vocational education, in addition to the State amount listed, are also provided for this program. Local share: Expenses not covered by reimbursement.	Requirements for participation: Course must be State-approved, meet basic course requirements, and be taught by a properly qualified teacher of driver education. Extent of participation: Estimated 42 school districts. Distributed: In June, after close of school term.
"STATE IMPACT AID"* (75-6925, R.C.M. 1947) $ 140,422 (.4%) Elementary school........... $150 per pupil. High school................. $250 per pupil.	State share: 100 percent of calculated amount, such amount not to be considered a part of normal State Equalization Aid. Local share: None.	Requirements for participation: Children must attend school and reside on the property of a State institution at which the parent is employed. District must apply for such aid. Extent of participation: 9 school districts. Distributed: In June, after close of school term.

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* Assistance to school districts for educating children of State employees residing on property of State institutions.

MONTANA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1970-71

Provisions for Raising School Revenue

Property assessments: Property valuations are established by the county assessors who are elected by the people. These valuations can be changed by the county commissioners after hearing. Assessment procedures are supervised by State officials, are subject to State approval, and may be changed by the State Board of Equalization to equalize assessments on a statewide basis. All intercounty public utilities are assessed by the State Board of Equalization. This Board has authority to change valuations established locally for the purpose of making them more equitable.

Counties are authorized to levy a basic 25 mills for the elementary schools, a basic 15 mills for the high schools, a high school transportation mill levy to meet the need, and a high school retirement levy to meet the need. The 25- and 15-mill basic levies are required unless they produce more than is needed for the foundation program. Nonproperty tax revenue is derived from fines, rentals, donations, and miscellaneous Federal revenue received by the county.

If the basic levies and State Foundation Program Fund support do not provide an adequate amount to finance fully the foundation program, additional county levies, as necessary, are to be levied.

Local districts: If State interest and income revenue and other available revenues of a district produce less than the foundation program cost, the district will participate in county and State equalization aid. Each elementary and high school district is allowed to tax itself for the amount necessary up to 25 percent in excess of the foundation program without a vote of the people. Any amount above these percents in excess of the foundation program must be approved by a majority vote of the people. Levies for debt service, transportation for elementary grades, teacher retirement for elementary districts, and tuition for elementary grades, are in addition to these levies, and do not require vote.

Provisions for School Indebtedness

Initiating bond issues: In common school districts, school bond issues must be initiated by 20 percent of the qualified voters of the district or have board of trustee resolution. The purposes for which the bonds are to be raised must be stated in the petition. Upon receipt of such petition or the passage of such resolution, the board of trustees must act to place the question before the people. Montana has high school districts which may initiate a bond election either by the above procedure with a petition initiated by 30 percent of qualified voters or upon resolution of the board of trustees of the high school district.

Limitation on issuance of bonds: School bonds in Montana may be either amortization or serial, but preferably amortization or sinking fund. The maximum number of years for which these bonds may run is 20.

Limitation on debt: By constitutional and statutory provisions no elementary or high school district may become indebted by more than 5 percent of its assessed valuation. There is no provision to approve any different bonding potential.

Voting requirements: No debt may be created nor bonds issued without a vote of the people, except certain refunding bonds. Forty percent of the qualified voters must vote at such election and a majority of those voting must vote favorably in order that the election shall be legal.

Approval and sale of bonds: Prior to the sale of bonds, the procedures of all bond issues must be approved by the Attorney General of Montana. The interest rate must not exceed 6 percent.

The State does not assist with the sale of school bonds. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments: The taxes necessary for debt service are levied over and above those for current school programs. The county treasurer is responsible for maintaining the bond records. The board of trustees is responsible for payment of the bonds. Should they neglect this matter the county treasurer is responsible.

Short-term indebtedness: Emergency warrants may be issued for approval of emergency budgets, to finance unexpected and significant enrollment increases or replace damaged or destroyed facilities necessary for the maintenance of school. Taxes to repay these warrants must be levied the following school year on the district involved.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: The budget form used in all school districts of Montana is prescribed by the State Superintendent of Public Instruction. The beginning and ending dates of the fiscal year are July 1 and June 30.

Local approval: The local board of trustees in each school district prepares the elementary budget and high school budget which must be approved by July 1 of each year. A legal notice of preliminary budget must be published. The county commissioners, county budget board, must give legal notice of the budget before it is adopted. County superintendents assist in gathering information for these budgets and help with preparation. It is also their duty to check these budgets to see that they conform to law. Final approval on the fourth Monday in July must be given to all school budgets by the board of county commissioners sitting as a county budget board. The county commissioners have authority to check that the budget conforms to legal provisions and to restrict budgets in areas of discretion such as "isolated schools."

State review or approval: A copy of every local district budget must be filed with the State Superintendent of Public Instruction by September 1 of each year by the county superintendent of schools. The budget forwarded to the State will constitute the application for State equalization funds. The State Superintendent of Public Instruction has general supervision over all budget laws.

Provisions for School Audits

Third-class districts not maintaining a high school must have their books audited either by the county auditor or county treasurer once each year. School districts of the first-, second-, and third-class districts maintaining a high school must have their books audited once each year by the State Bank Examiner. All districts must have extracurricular funds audited each year.

NEBRASKA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

NEBRASKA PUBLIC SCHOOL FINANCE PROGRAM. 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. W. A. Schindler, Chief, School Finance and Statistical Services, Nebraska Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 17.92 percent of the non-Federal revenue for local elementary and secondary schools including only State, county, and local revenue receipts is provided by the State.

2. About 80.41 percent of the State funds apportioned to public school districts is distributed through the School Foundation and Equalization Fund established in 1967. The remaining 19.59 percent is distributed through seven other funds: (a) Temporary School Fund--Census Variable Portion, 5.90 percent; (b) Insurance Premium Tax Fund, 5.06 percent; (c) Temporary School Fund--District Constant Portion, 1.97 percent; (d) Special Education Fund, 3.10 percent; (e) Temporary School Fund--In-Lieu-of School Land Tax Portion, 1.84 percent; (f) Driver Education Fund, 1.50 percent; and (g) Vocational Education Fund, .22 percent.

LOCAL SUPPORT

1. There are no local or county nonproperty taxes for school support other than might be appropriated from county and local receipts from fines and licenses. There is a tax of 5 percent on the gross revenue of retail power sales in cities and villages.

2. Real estate values for tax purposes are established by elected county assessors. Uniform statewide standards for property valuation must be used when established by the State Board of Equalization. The value of personal property is declared by the taxpayer.

3. In order to participate in the Equalization Portion of the School Foundation and Equalization Fund, local districts are required to levy on taxable property from 12 to 5 mills depending upon district classification.

4. Tax rates for general school purposes are determined by local boards of education or by assemblies of patrons in elementary school districts.

5. The debt limit for school bonds is 40 percent of the assessed value of taxable property in elementary school districts and in districts under 1,000 population maintaining grades 1-12. There is no specified legal limit for other districts. The State recommends a maximum indebtedness of 10 percent of the assessed value of the district.

STATE SUPPORT, 1971-72

NEBRASKA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total	$43,526,547 (100.0%)		
SCHOOL FOUNDATION AND EQUALIZATION FUND (LB 448, July 1967; Sec. 79-1330 through 79-1344 RS Supp., 1967 Nebraska)	$35,000,000 (80.4%)		
Foundation portion.............	Each district shall receive financial support from the School Foundation and Equalization Fund as follows: $17.50 Kindergarten pupils $35.00 Grades 1-6 $42.00 Grades 7-8 $49.00 Grades 9-12 the applicable sum for each category to be multiplied by the preceding year's ADM of resident and nonresident pupils in each category.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Districts must submit annual financial and annual team summary reports on prescribed dates. Extent of participation: Estimated 1,336 Class I through VI districts. Distributed: Four payments: September 30, January 15, March 15, and May 15.
Equalization portion...........	The smaller of the following calculations (a) $225 per kindergarten pupil $450 Grades 1-6 $500 Grades 7-8 $550 Grades 9-12 the applicable sum for each category to be multiplied by the ADM for the preceding year of resident and nonresident pupils in each category, or (b) 108 percent of the district's per pupil cost for the preceding year multiplied by the district's ADM for the preceding year.	State share: 100 percent of calculated amount minus (1) funds distributed to districts under the foundation portion of this fund, (2) the district qualifying levy (operating funds received from that portion of the local tax levy which exceeds the required minimum shall be excluded from this computation), (3) tuition, (4) fines, (5) license fees, (6) transportation reimbursements, (7) the Insurance Tax Fund. Local share: A required tax on the valuation of all taxable property within the district for the preceding year, (except intangible property) as follows: (1) For Class I districts, not less than eight mills; (2) for Class II, III, IV, and V districts, not less than twelve mills; and (3) for Class VI districts, not less than five mills. Equalization funds distributed as a pro rata amount left after foundation aid and incentive aid are paid in full.	
Density adjustment.............	When the population density in any county is less than four persons per square mile, as determined from the most recent Federal decennial census, the total financial support under subdivision (1)* of this section insured for each district in the county shall be increased by the following percentages: (a) If the population density is three or more but less than four persons	Prorated on amount left after foundation and incentive aid are paid in full.	Requirements for participation: District census must be taken each June.

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* Refers to support guaranteed by the equalization portion of the School Foundation and Equalization Fund.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL FOUNDATION AND EQUALIZATION FUND--continued			
	per square mile, 10 percent; (b) if the density is two or more but less than three persons per square mile, 20 percent; (c) if the density is one or more but less than two persons per square mile, 30 percent; and (d) if the density is less than one person per square mile, 40 percent; Provided, any school district within a qualifying county showing a density greater than provided in this subdivision shall not qualify for such percentage increases.		
Gifted or culturally deprived children calculation............	A district which provides special program meeting criteria established by the State Board of Education for (1) gifted children, or (2) culturally and educationally deprived children, shall be entitled to count each pupil regularly enrolled in such programs during the preceding year as one and one-fourth and two students respectively.	Prorated on amount left after foundation and incentive aid are paid in full.	Requirements for participation: Meet guidelines and criteria as set up by State Board of Education and checked by Department of Education.
Transportation calculation......	Each student eligible to be transported by bus according to the provisions of Section 79-490, Reissue Revised Statutes of Nebraska, 1943, shall be counted as one and one-fourth students.	Prorated on amount left after foundation and incentive aid are paid in full.	Requirements for participation: Must live within the district attended and more than 4 miles from schoolhouse.
Incentive calculation...........	College preparation (degree or years of college) — Amount Doctorate — $350 Master's or equivalent or 6-year college program — 250 Bachelor's — 150 Summer School Program shall mean a program consisting of 30 days of school at 3 hours per day, or the equivalent, conducted by the district. The maximum/minimum number of student hours that will be paid for is 90 hours times 20 cents or $18.00 for each pupil eligible to be counted.	State share: 100 percent of calculated amount.	

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
TEMPORARY SCHOOL FUND--CENSUS VARIABLE PORTION (Revised Statutes of Nebraska, Secs. 79-3101 to 79-1308, established in 1881)	$ 2,567,975	(5.9%)		
Current expense, grades K-12....	This distribution is for 3/4 of the balance of the Temporary School Fund after the in-lieu-of tax portion has been deducted. Distributed in proportion to the number of children, 5-18 years of age, resident in the district.		State share: 100 percent of calculated amount. Local share: None. There is no reflection of Public Law 874 receipts in establishing the amounts of State grants.	Requirements for participation: District must have maintained and operated a school during the next preceding year and complied with all laws relating thereto. Take a school census during May or June. County superintendent must verify and submit affidavit of district eligibility. Extent of participation: Estimated 1,336 school districts. Distributed: Annually, in February.
Services for pupils enrolled in nonprivate schools.....	State funds are not provided and may not be used for pupils enrolled full time in nonprofit private schools or for so-called shared time where pupils may be enrolled in one or more classes but less than half time in a public school.			
INSURANCE PREMIUM TAX FUND (Current expense, grades K-12). (Revised Statutes of Nebraska, Secs. 77-908 to 77-914, established in 1951)	$ 2,202,365	(5.1%)		
Insurance Premium Tax Fund......	Distributed to counties in proportion to county population and redistributed within counties in proportion to district ADA.		State share: 100 percent of calculated amount. Amount indicated is 60 percent of half of State revenue from this tax. Local share: None.	Requirements for participation: File a district report on ADA. Extent of participation: Estimated 1,336 school districts. Distributed: Annually, in May.
TEMPORARY SCHOOL FUND--DISTRICT CONSTANT PORTION (Revised Statutes of Nebraska, Secs. 79-1301 to 79-1308, established in 1881)	$ 857,442	(2.0%)		
Current expense, grades K-12....	This distribution is for the balance of the Temporary School Fund and is divided equally among all eligible districts.		State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Same as described for "Census Variable Portion." Extent of participation: Estimated 1,336 school districts. Distributed: Annually, in February.
SPECIAL EDUCATION FUND (Revised Statutes of Nebraska, Secs. 43-601 to 43-611 and Secs. 79-1409 to 79-1414, established in 1949)	$ 1,349,275	(3.1%)		
Educable Mentally Handicapped... Physically Handicapped, includes partially sighted preschool children.	Cost of necessary special instruction for handicapped children.		State share: Excess cost per pupil of providing necessary special instruction above the per pupil cost for other children. Limited to $300 per educable mentally handicapped, $600 per physically handicapped child, and $4,500 per teaching unit.	Requirements for participation: Apply for program approval and financial assistance. Extent of participation: 136 school districts.

STATE SUPPORT, 1971-72

NEBRASKA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SPECIAL EDUCATION FUND--continued		Local share: Same amount per each such pupil as expended for other pupils.	Distributed: Annually, on July 1.
TEMPORARY SCHOOL FUND--IN-LIEU-OF SCHOOL LAND TAX PORTION (Revised Statutes of Nebraska, Secs. 79-1301 to 79-1308, established in 1881)	$ 800,860 (1.8%)		
Current expense, grades K-12....	Local school tax rate multiplied by value of school endowment land in the district assessed at 50 percent of appraised value. Rate includes levies for special funds such as local land fund and county high school tuition fund.	State share: 100 percent of calculated amount. Local share: None, but payment is based on tax rate in effect.	Requirements for participation: Same as described for "Census Variable Portion." Extent of participation: 829 school districts. Distributed: Annually, in February.
DRIVER EDUCATION FUND (Revised Statutes of Nebraska, Secs. 60-409.01 to 60-409.04, established in 1963)	$ 652,875 (1.5%)		
Driver education...............	Cost of instructional service, including insurance, salaries of teachers, gasoline and oil for operation, maintenance of automobiles, etc.	State share: Not to exceed $30 for each pupil. State funds are cerived from all of the receipts from the school or learner's permit fee, $4 from each original probationary license, $1 from each renewal probationary license, and $1.50 for each renewal operator's license fee. Local share: All costs not covered by the reimbursement.	Requirements for participation: Prescribed course of instruction taught by a qualified teacher. Extent of participation: 300 school districts. Distributed: During September to December for previous year's program of instruction.
VOCATIONAL EDUCATION FUND (Revised Statutes of Nebraska, Secs. 79-1419 to 79-1435, established in 1919)	$ 95,755 (.2%)		
Vocational education...........	Amount expended for salaries of vocational education teachers.	State share: Percent of amount expended as funds allow. Federal funds for this program are added to the State amount indicated in making this distribution. Local share: All costs not covered by reimbursement.	Requirements for participation: Meet prescribed State standards for program instruction and facilities. Extent of participation: 216 school districts. Distributed: Twice annually, in February and July.

NEBRASKA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Elected county assessors determine the value of real estate for taxation purposes. Taxpayers may appeal to the county board of equalization for a review of this valuation and may further appeal this decision to the district court. Reappraisals are the responsibility of the county board. Property owned by railroads, pipeline and telephone companies, and other public utilities is valued for tax purposes by the State Board of Equalization.

Personal property is declared and assessed by the taxpayers but the county assessor and the county board of equalization may add omitted property to an assessment schedule and revalue undervalued property. Notice of these changes must be sent to the taxpayer who has the right to protest. Standard values for livestock are determined by the State Tax Commissioner who also provides technical assistance to county assessors in their determination of standards of values for other classes of personal property. County boards of equalization customarily use these standards.

Intermediate districts: All property which is not in a district offering a high school program is subject to a high school tuition levy. Taxes on such property are levied, as required, without limit or electoral approval. With this exception, a county is not a taxation unit for school support. Fines and license fees provide a small amount of county revenue which accrues to the county school fund for distribution among school districts of the county.

Local districts: School districts are grouped into 6 separate classifications. These classes are:

I - Districts maintaining only elementary grades.
II - Districts under 1,000 population maintaining elementary and secondary grades.
III - Districts of 1,000 to 50,000 population maintaining elementary and secondary grades.
IV Districts of 50,000 to 200,000 population maintaining elementary and secondary grades (Lincoln only).
V - Districts of 200,000 or more population maintaining elementary and secondary grades (Omaha only).
VI - Districts which are organized to maintain secondary grades only.

The aggregate school tax levied for general school purposes in all classes of school districts is without restriction, except that in the school districts of Classes I, II, and VI, no levy may be made in excess of 12.0 mills unless the levy has been approved by 55 percent of the electors at the annual meeting of the district. A Class III district may not levy more than 4 mills for capital outlay. Levies for debt service and retirement fund requirements in the Class IV school district may not exceed annual needs, and the aggregate rate in a Class IV district may not exceed the rate necessary to provide the needed sums as budgeted. Site and building fund levies in a Class V school district shall not exceed 4.0 mills, of which 1.5 mills may be credited to the general fund. The teacher retirement fund levy in a Class V school district shall not exceed 2 mills.

Nebraska school districts are fiscally independent. County boards are required to levy and collect taxes in the amounts requested and certified by school authorities.

Provisions for School Indebtedness

Limitations on issuance of bonds: School bonds may be serial or term bonds, neither kind being prohibited or specified by law. Other than a 5-year option clause, there are no statutory limits relative to the term of school bonds. Boards of education, subject to the approval of the electorate, issue school bonds. Bonds are issued for capital outlay purposes and to fund-floating debts.

Limitations on debt: Bonded indebtedness of Classes I and II school districts may not exceed 40 percent of the assessed value of the district. Bonds issued to fund a floating debt are an exception. The recommended maximum indebtedness is 10 percent of the assessed value of the district.

In all districts, bonds for capital outlay and bonds to fund a floating debt must be approved by 55 percent of the school electorate. Only electors who were assessed for taxes at the last assessment date or have children of school age, and the spouses of such electors, have the right to vote in a school bond election. Refunding bonds may be issued by the board of education without sanction by the people.

Approval and sale of bonds: Approval and certification of the proposed issuance of bonds by the State Auditor of Public Accounts is a prerequisite to the sale of school bonds. School bonds may not bear an interest rate in excess of 6 percent. All bonds are sold at the discretion of the local board of education. Pending its use for the authorized purpose, income from the sale of bonds may be invested in any security approved by law for the investment of permanent school fund money. The State does not assist with the sale of bonds and bonds do not need to be first offered to a State agency.

Bond records, tax levies; and payments: All levies for bonds are special levies. The county treasurer is the fiscal agent of the school districts in the payment of bond interest and in the redemption of bonds. Bonds are registered in the office of the county clerk who maintains all bond records.

The county board of equalization is required to authorize levies for debt service. For Classes III, IV, and V school districts, school authorities are required to certify annually to the county board of equalization the amount of money needed to pay for debt service. In Classes I, II, and VI school districts, the county board of equalization shall make the levies necessary to retire bonds and pay interest according to schedule. Whenever there is insufficient money in the bond fund of a school district to retire bonds or pay bond coupons which are due, such bonds and bond coupons shall be registered for future payment in the same manner that a warrant is registered for payment from future income.

Current indebtedness: All school districts may register warrants for future payment. Classes III, IV, and V school districts may issue notes to borrow money to the amount of 70 percent of the unexpended balance of the current anticipated tax income, but if both warrants and notes are issued, the total amount shall not exceed 100 percent of the unexpended balance of the current levy. Notes and warrants may not bear an interest rate in excess of 6 percent.

NEBRASKA

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Budget forms are prescribed by the Commissioner of Education for all but the Classes IV and V districts. Such forms provide for showing the expenditures and revenues received from tax and nontax sources for the next preceding completed fiscal year and show the proposed expenditures for the ensuing fiscal year, including a necessary cash reserve not to exceed 50 percent of the previous year's budget. The school fiscal year runs from July 1 to June 30.

Local approval: Budgets of Classes I, II, and VI rural high school districts are proposed by the district boards of education and are approved at the annual budget meetings of the districts. Budgets of Classes III, IV, and VI county high school districts, are developed and validated by the district boards of education. On or before July 15, all school districts except Classes IV and V must submit copies of the budget for the operation of the schools during the ensuing fiscal year to the county superintendent and to the county clerk for use by the county board of equalization. On or before August 15, the board of education of Class IV school district must report to the county board the amount of tax revenue necessary for the operation of its school during the ensuing fiscal year.

County boards are required to authorize levies which will raise the amounts of money required for the operation of Classes I, II, III, IV, and VI school districts, as certified in the budget reports. The board of education of a Class V school district determines and specifies the levy in mills which is necessary to finance its budget. County authorities have no revisory jurisdiction over local school budgets provided all anticipated miscellaneous revenue has been properly considered.

State review or approval: State school authorities have no revisory jurisdiction over local school district budgets. No copy of the budget needs to be filed with a State agency.

Provisions for School Audits

Annual audits of local district financial records are required in all districts except Class I districts. Audits of Class I district finance records may be demanded by petition of patrons.

NEVADA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

NEVADA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Lincoln Liston, Associate Superintendent for Administration, Nevada State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 50 percent of the non-Federal revenue for elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.
2. Slightly more than 95 percent of the State funds for distribution to the public school districts are provided through legislative appropriation. The balance of less than 5 percent is from the earned income of permanent school endowments and out of State collections of one cent sales tax.
3. One hundred percent of the State money distributed to the public school districts is allocated for the State foundation program through the Distributive School Fund--Regular Portion. Included in the program is an allowance for each ADA at a different rate in each of 17 districts.

LOCAL SUPPORT

1. About 60 percent of the local revenue for the 17 countywide public school districts is obtained from property taxes. The other 40 percent is from motor vehicle taxes, one cent sales tax, rental income, donations, tuition payments, and other miscellaneous sources.
2. School districts are required to levy a 7-mill property tax to qualify for participation in the State foundation program.
3. Each school district may levy an 8-mill tax, based on local assessments, in addition to the required levy for the foundation program. There is no provision requiring electoral approval of this additional levy. As much as 3.5 of the 8 mills may be levied as a building reserve tax if approved by the State Board of Finance.
4. School district indebtedness is limited to 15 percent of the local assessed valuation of taxable property in the district.
5. Tax rates for debt service are levied over and above those for operational support.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total . . . . $ 50,000,000 (100.0%)		
DISTRIBUTIVE SCHOOL FUND--Regular Portion (Sec. 387.122 Nevada School Code as amended in 1971) $ 50,000,000 (100.0%)		
Nonrestricted, grades K-12.... Determine district ADA for best 3 months: (a) Kindergarten pupils (.6) (b) Elementary and secondary pupils (1.0) (c) Handicapped pupils (1.0) Multiply total district ADA by the following basic support guarantee per pupil established for each of the several school districts: Carson City $ 674 Churchill $ 683 Clark $ 660 Douglas $ 692 Elko $ 724 Esmeralda $1,550 Eureka $1,063 Humboldt $ 745 Lander $ 737 Lincoln $ 899 Lyon $ 715 Mineral $ 708 Nye $ 808 Pershing $ 697 Storey $1,197 Washoe $ 659 White Pine $ 714 The product of this calculation equals the guaranteed basic support level for each district. The Nevada plan recognizes differences in characteristics that most directly cause school costs to differ. It then provides basic support in different amounts to the 17 school districts in relationship to their characteristic differences. The important elements involved in the calculation of the basic support guarantee per pupil of the several districts are as follows:	State share: The calculated guaranteed basic support level minus the local share. Local share: (a) A required levy of 70 cents on each $100 value of taxable property within the district. (b) 1-cent local origin school sales tax.	Requirements for participation: Apportionments are to be deposited in the county school fund and be used for: Operation of public schools. Payment of premiums for Nevada Industrial Insurance on each employee. Rent of schoolhouses. Construction, furnishing, or rental of teacherages when approved by State Superintendent of Public Instruction. Pupil transportation and bus purchases. School lunches. After meeting the above requirements, may be used for: Purchase of sites for school use. Repair and construct new buildings. Extent of participation: All 17 districts participate. Distributed: Paid quarterly in equal apportionments.

STATE SUPPORT, 1971-72

NEVADA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
DISTRIBUTIVE SCHOOL FUND--continued		
A. Teacher allotment - A total count of teacher unit allotments and additional special service and administrative allotments is made for each district. The 1971-72 allowance for each allotment is $8,000. B. Pupil population - Recognizing that different kinds of pupil groups require different kinds of expenditures, the following allowances are made: kindergarten $ 66 elementary $110 secondary $150 handicapped $750 C. Transportation - In calculating basic support for a district an allowance is made of 60¢ for every dollar spent for transportation during the prior period.		

NEVADA

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations are established by elected county assessors. Authority is given the board of county commissioners to equalize assessments within the county. The Division of Assessment Standards of the State Tax Commission conducts assessment ratio studies and develops formulas and standard procedures which are given to the county officials for their use. The State Tax Commission also establishes valuations for assessment purposes for public utilities and acts as a State Board of Equalization.

Intermediate districts: None.

Local districts: Each school district must levy a 7-mill tax and may levy an additional 8 mills. There is no provision in the law for electoral approval of the tax rate.

A building reserve tax of not more than 3.5 mills may be levied by a school district, providing it is approved by the State Board of Finance. Such a tax, included within the 8-mill optional tax referred to above, is levied without vote of the people and may not be levied for more than 10 years.

The tax limit of 15 mills applies to local assessments.

Initiating bond issues: A proposal for the issuance of school bonds is initiated by the school board. Bonds are for the purpose of erecting and furnishing a school building or buildings, purchasing school sites, refunding floating indebtedness, or for any or all of these purposes.

Limitations on issuance of bonds: All school district bonds must be serial in nature and must not run for more than 20 years. No local agency other than school boards may approve bonds.

Limitations on debt: County school district bonded indebtedness is limited by statute to 15 percent of the total of the last assessed valuation of taxable property situated within the county, less an amount equal to any total outstanding bonded indebtedness of the school districts abolished in March 1956 whose areas are now within the county school district. Former school districts are maintained as taxing units for the payment of outstanding bonds until the bonds are retired or until the county school district, by vote of the people, assumes the outstanding bonded indebtedness, in which case, the total of indebtedness thus assumed becomes a debt of the county school district. No State executive agency is authorized to approve a higher limit.

Voting requirements: All registered electors in a county or district may vote on bond issues.

Approval and sale of bonds: No State agency approval is required for the issuance of bonds. Bonds sold on either fixed interest, plus premium, or a yield basis must be sold by sealed bid after advertisement in a newspaper. It is not necessary that bonds first be offered to a State agency. The State does not assist in the sale of bonds. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments: Taxes for school support, including taxes necessary for debt and interest payments, are levied by county commissioners. The county treasurer and county commissioners handle bond records and payments of bond interest and redemption.

Short-term indebtedness: School districts are not permitted to borrow in anticipation of current revenue. If a school district can show that an emergency has arisen which could not have been anticipated, the school board can post legal notice of intention to borrow and then request permission from the State Board of Finance. If permission is granted, the district may borrow money on an emergency loan note. Such notes must not run for more than 5 years and must be repaid by a special tax for that purpose.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budget forms, prescribed by the State Tax Commission, are provided by the State Department of Education. The school fiscal and budget year begins on July 1 and ends on June 30, as does the State fiscal year.

Local approval: Tentative budgets are prepared by local school boards before February 20. A public hearing on the budget must be held before the completion date and after 10 days notice, published in a newspaper, which notice must contain a copy of the tentative budget. Final budget must be filed by April 10.

School budgets must be approved by the State. The county commissioners are required to levy the tax rate requested in the budget unless an error is found in the budget. In this instance, the tax rate may be adjusted to yield the amount of revenue shown by the budget to be needed. No publication of the budget is required after completion.

State review or approval: Budgets must be filed with the State Tax Commission by April 10. This Commission may not alter budgets except to change levies in light of assessed valuation. The change in the tax levy must not reduce the amount requested in the budget, unless an adjustment is needed to bring all taxes within the 50-mill constitutional limit. Copies of the budget are filed with the county auditor, State Superintendent of Schools, State Tax Commission, and legislative auditor.

Provisions for School Audits

School districts are required to have their books audited annually. The audits must be done by a practicing public accountant. A copy of the audit is filed with the county auditor where it is available for public inspection. All school monies are kept by the county treasurer whose books are audited annually by a practicing public accountant.

NEW HAMPSHIRE

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

NEW HAMPSHIRE PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Paul R. Fillion, Chief of Administration, New Hampshire State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 6 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.
2. The State Foundation Aid Fund, which accounts for 28.3 percent of the amount distributed by the State, assures a foundation support level of at least $200 per elementary pupil and $300 per high school pupil. These amounts are for current school expense purposes but are not further restricted.
3. School Building Aid accounts for another 22.0 percent of the State school support program. The amount provided pays from 30 to 55 percent of the annual payment on principal for school debt service.
4. A Sweepstakes Aid Fund provides an estimated 20.3 percent of all State aid to local districts. This fund is distributed on a resident-pupil basis.
5. Eight other funds account for 29.4 percent of the State money distributed for the public schools. These funds are for administration and supervision, education and training of the blind, education of handicapped children, area vocational schools, school district reorganization, child feeding services, driver education, and dual enrollment and child benefit services.

LOCAL SUPPORT

1. An estimated 94 percent of the local tax support for public elementary and secondary schools is derived from property taxes on the assessed valuation of taxable property.
2. Income from sources other than property taxes includes receipts from tuition payments, local trust funds, and various miscellaneous sources. There is no local nonproperty tax, as such, which is authorized to be levied for the support of the public schools and there are no county taxes for school support.
3. Local school districts are required to levy a property tax of 14 mills on the equalized valuation of the district in order to qualify for participation in the State Foundation Aid Fund.
4. There is no specified tax rate limit which may be levied when the tax has been properly authorized by popular vote at the annual school district meeting or by city governmental officials in the fiscally dependent cities.
5. Generally, 7 percent debt limit is specified for school purposes. Cooperative districts may incur debt up to a 10-percent limit. These limits are based on the "base valuation for debt limit".
6. Tax levies as necessary for debt services costs are authorized with the debt approval.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total	$9,182,238 (100.0%)		
FOUNDATION AID FUND (Ch. 198, Sec. 8-15 Revised Statutes Annotated as amended)	$2,597,606 (28.3%)		
Current operating expenses......	The cost of the foundation program is based on the average daily membership (ADM) of pupils residing in the district and attending an approved public school or an approved public academy within or outside the district. Membership statistics used are those for the second school year preceding the year of actual payment. Allowances for the determination of the total foundation program cost are $200 for each pupil in grades K-8* and $300 for each pupil in grades 9-12. From the total allowance is subtracted the amount from a local effort of 14 mills on the equalized taxable valuation of the district. *K pupils weighted by 0.5	State share: A district is eligible to receive the amount by which the foundation program exceeds the local effort contribution. If, however, local tax receipts amount to less than the specified 14-mill effort, State foundation aid is reduced by an amount equal to the difference between the local effort and the amount received from local taxation for school purposes. Should the State appropriation for this fund amount to less than the total eligibility, the State Board of Education adjusts the per pupil allowances in accordance with the amount available for distribution. Local share: Local district must levy a tax of 14 mills on the equalized valuation of taxable property.	Requirements for participation: No specific requirements beyond having resident pupils educated at public expense and meeting the "14-mill" requirement. Extent of participation: 66 districts participate. Distributed: Funds must be distributed to local school districts before January 15. Two equal payments are made each year, in September and January.
SCHOOL BUILDING AID FUND (Ch. 198, Sec. 15-a-g, Revised Statutes Annotated as amended)	$2,020,842 (22.0%)		
	School districts which have not been reorganized as cooperative districts or are not the receiving district for an Authorized Regional Enrollment (AREA), are entitled to 30 percent of the annual payment on principal. No allowance is made for the payment of interest. Other school districts are entitled to an amount ranging from 40 percent to 55 percent of the annual principal payment, depending on the number of pre-existing districts which have been combined into the cooperative district, or the number of districts in the AREA. The amount of the principal payment which serves as the basis for the percentage entitlement may be increased by an amount equal to the amount of capital reserve funds and the amount raised by taxation up to the time of the bond issue which was actually expended in the construction or enlargement divided by the number of years for which the notes or bonds were issued.	State share: The State makes payments to any school district which is making annual payments to retire serial notes or bonds, providing the State Board of Education has approved the plans, specifications, and costs of the school building construction project involved. The project may involve a new school building, enlargement of a building, or renovation of a building which results in increased pupil capacity.* *If the State appropriation is not sufficient, school building aid shall be prorated equally. Local share: Local share is 100 percent of interest costs and the remaining principal costs.	Requirements for participation: School districts must make a payment on the principal amount outstanding on serial notes or bonds issued to finance an approved new, enlargement, or renovation project of school construction. Extent of participation: 125 school districts participate. Distributed: Annually, in October.

STATE SUPPORT, 1971-72

NEW HAMPSHIRE

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SWEEPSTAKES AID FUND (Ch. 284, Secs. 21a - 21p Revised Statutes Annotated) $1,865,566 (20.3%) Distributed on the basis of the ADM of public school pupils resident in the school district.	State share: 100 percent of funds come from sweepstakes aid. Local share: None.	Requirements for participation: There are no requirements for school district participation. The program is administered by the State Sweepstakes Commission. Extent of participation: 166 school districts participate. The Hanover district receives the aid for Hanover pupils enrolled in the interstate district of Dresden. Distributed: December 15 of each year.
STATEWIDE SUPERVISION FUND (Ch. 194, Sec. 12, Revised Statutes Annotated) $ 278,765 (3.0%) Supervisory salaries............ Supervisory unions determine the actual amount of the salary to be paid to superintendents, assistant superintendents, and teacher consultants. Necessary additional funds are raised from local sources and the difference between the total locally determined salary and the State's share is paid to the State. This procedure provides basic professional leadership for each school district in the State.	State share: For the purpose of this paragraph the State's share of the annual salary of the superintendent shall be fixed by the State Board of Education so that each of the amounts so fixed shall vary between not less than two thousand five hundred dollars and not over seven thousand five hundred dollars in steps of two hundred fifty dollars in accordance with the ranges of latest equalized valuations per pupil in average daily membership of the several unions found by the State Board of Education to be suitable to give due recognition to the variation in equalized valuation per pupil in average daily membership of the several supervisory unions to the end that the State's share will vary inversely with the financial resources of the supervisory unions as measured by their equalized valuations per pupil in average daily membership. The State's share of the annual salaries of any assistant superintendent, teacher consultant or business administrator shall be fixed by the State Board of Education at a uniform rate for each such person not exceeding $5,000 per year. Local share: Remainder of cost.	Requirements for participation: All school districts are included in the 43 supervisory unions. Each supervisory union has a superintendent who administers each school district's educational program within his union. Extent of participation: 43 supervisory unions. Distributed: Pay checks distributed to the four categories of supervisory union personnel who are State supported.

STATE SUPPORT, 1971-72

NEW HAMPSHIRE

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
AREA VOCATIONAL SCHOOLS' FUND (Ch. 188, Secs. 8 and 9, Revised Statutes Annotated) $ 175,000 (1.9%) This fund is used to pay all or a large part of the cost of tuition and transportation for pupils who reside in other districts which maintain high schools and who wish to enroll in one of the vocational programs. If a pupil lives in a district which does not maintain a high school, this fund is used to pay transportation plus any part of his tuition, to one of the 20 area vocational schools which offer comprehensive vocational training programs or to the 3 extension high schools offering a more limited program.	State share: 100 percent of approved costs. Local share: All excess costs.	Requirements for participation: Schools must employ qualified vocational teachers, meet other requirements prescribed by the State, and submit applications for payment.
SCHOOL DISTRICT REORGANIZATION AID (Ch. 195-A: 10-11 and 198: 18 Revised Statutes Annotated) $ 268,363 (2.9%) In an AREA complex the State shall pay annually to each receiving district sums according to the following schedule: For each pupil in ADM from a sending district $45 in an AREA elementary school, $60 in an AREA junior high school, and $75 in an AREA high school. For each pupil from a pre-existing district who attends a cooperative school located in another pre-existing district the State shall pay annually an amount in accordance with the same schedule used for AREA aid.	State share: 100 percent of amount. If State appropriation is not sufficient, aid to an AREA school and a Cooperative School district shall be prorated. Local share: None.	Requirements for participation: Must be an authorized AREA school or an operating Cooperative School District. Extent of participation: 42 school districts. Distributed: Annually, in November.
EDUCATION AND TRAINING OF THE BLIND (Ch. 186-B, Sec. 4 III and IV Revised Statutes Annotated) $ 59,305 (0.6%) Tuition is paid directly to the school which the child attends. Approximately 10 children are educated under this program.	State share: All costs in excess of State average tuition costs. Local share: The school district of residence pays the State average cost for tuition purposes to the State toward the education of each child.	Requirements for participation: Any child considered to be legally blind shall be considered eligible to participate in this program.

STATE SUPPORT, 1971-72

NEW HAMPSHIRE

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
EDUCATION OF HANDICAPPED (Ch. 186-A, Sec. 8 and 10 Revised Statutes Annotated) $ 866,117 (9.5%) Tuition may be paid by the State directly to the school district or private institution the child attends. Four former aid programs serving specific categories of handicapped have been consolidated into one program. Because of a reduction in funds available, State funds have been used solely to support the education of children enrolled in institutional programs.	State share: All costs in excess of State average tuition costs. Local share: School districts are required to pay up to the State average cost for tuition purposes toward the education of handicapped children.	Requirements for participation: The program must be approved by the State Board of Education.
CHILD FEEDING SERVICES (Ch. 186, Sec. 13, Par. XI Revised Statutes Annotated) $ 106,932 (1.2%) Matching funds appropriated to meet Federal requirements concerning reimbursements for lunches served in approved programs.	State share: Required matching portion. Local share: None.	Requirements for participation: No specific requirements beyond those established for participation in the Federal reimbursement program. Extent of participation: 129 school districts and 25 private schools participate by virtue of participation in the Federal reimbursement program.
DRIVER EDUCATION (Ch. 262, Sec. 1-a, Revised Statutes Annotated) $ 420,000 (4.6%) The proceeds from original operators' license fees and from initial number plates, after costs of plates and issuance have been deducted, shall be expended solely for courses of instruction and training in safe motor vehicle driving conducted in or under the supervision of secondary schools. The district is entitled to the amount of the approved expenditure.	State share: 100 percent of calculated amount. Local share: All additional program costs.	Extent of participation: 60 school districts and 9 non-public schools participate in this program. Distributed: Payments are made three times each year for an approved program conducted during the first and/or second semester and/or the summer session by the Department of Safety.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
DUAL ENROLLMENT AND CHILD BENEFIT SERVICES (Ch. 198, Sec. 21 and 22, Revised Statutes Annotated) $ 523,742 (5.7%)		
Any school district which operates an approved dual enrollment agreement under the provisions of RSA 193:1-a is eligible for the full operational costs, exclusive of capital improvements, the first year of operation and one-half such costs the second year. There is no subsequent eligibility. Any school district providing child benefit services under the authority of RSA 189:49-50 shall be granted not more than 70 percent of such costs for services. Dual Enrollment and Child Benefit Service grants may be prorated if insufficient funds are appropriated.	State share: (Dual Enrollment) Full operational costs, exclusive of capital improvements, the first year of operation and one-half such costs the second year. There is no subsequent eligibility. (Child Benefit Service) Not more than 70 percent of such costs for services. Local share: All costs in excess of State contribution.	Requirements for participation: (Dual Enrollment) Application shall be submitted to the State Board of Education no later than July 1 preceding the start of the school year. The Board shall determine what costs shall be allowed. (Child Benefit Service) Application shall be submitted to the State Board of Education no later than August 1 following the end of the school year. The Board shall determine what costs shall be allowed. Extent of participation: (Dual Enrollment) 14 school districts participated. (Child Benefit Service) 20 school districts participated.

NEW HAMPSHIRE

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations for taxable purposes are established by local assessors who are supervised by State officials. These assessments are used in the local district as the basis for taxing real property. In most communities, the assessments are made by the elected town selectmen while in a few large communities trained assessors are employed. County officials do not have authority to change the assessments.

The State Tax Commission establishes biennially both the "base valuation for debt limit" and the "equalized valuation". The base valuation for debt limit represents the result of adding to the local assessed valuation an amount which will bring that taxable valuation into line with present full market value, and also adding the equalized value of certain types of property no longer taxed because those taxes have been replaced by a "business profits tax". The resulting "base valuation for debt limit" is used exclusively as the basis for determining limits on local borrowing power for long-term debt.

The equalized valuation represents the result of adding to the base valuation for debt limit the value of national bank stock and the value of the three items of local wealth on which taxes are raised at the State level and returned to the communities. These three items are interest and dividends; deposits in savings banks; and railroad stock, right-of-way, and buildings.

Equalized valuations are used in several school and nonschool computations, including the distribution of certain State funds for education.

Intermediate districts: None.

Local districts: Most of the local source funds of school districts are derived from property taxes. There are no upper limits set by law for these tax levies. They must be, however, approved by popular vote at the annual school district meeting. In 9 of the 13 cities of New Hampshire the schools are fiscally dependent upon city governmental officials, and the people do not vote directly upon the budget.

The major part of the income derived from sources other than the property tax is derived from the transfer of funds from other school districts through payment of tuition. There is also tuition income from private sources and from public and private sources outside of the State of New Hampshire. Local trust funds established for public schools also provide some local revenue.

In unorganized territory, the levy for school purposes is assessed by the Tax Commission in an amount certified by the Department of Education.

Provisions for School Indebtedness

Initiating bond issues: A bond issue may be initiated by the school board, by a petition signed by ten legally qualified voters of the district, or by a petition signed by one-sixth of such voters. School bonds may be issued only for capital outlay purposes.

Limitations on issuance of bonds: School bonds must be serial bonds. They may be issued for a maximum of 30 years.

Limitations on debt: Bonds may not be issued by a school district to an amount exceeding 7 percent of the base valuation for debt limit. This maximum is set by statute. A few districts have been granted a higher maximum by special legislation. Cooperative districts are limited to an amount not to exceed 10 percent of the base valuation for debt limit for the pre-existing districts, provided they are organized for all twelve grades. Also, additional borrowing capacity is provided for the receiving districts in Authorized Regional Enrollment Areas. The long-term debt of the receiving district is multiplied by a fraction which is the ratio of the number of pupils residing in the district to the total number of pupils enrolled. Only the resulting portion of the long-term debt must be considered when applying to the 7 percent limit.

Voting requirements: Bonds may not be issued without a vote of the people except in nine cities where bonds may be issued by vote of the city council. Where a popular vote is required, the issue is presented at an annual or special school district meeting. For school bond issues to be approved, a favorable vote of two-thirds of the qualified electors participating is necessary. A majority of all legal voters of the district must vote in any special meeting, unless permission to hold the meeting has been granted by superior court.

Approval and sale of bonds: No further State or local approval is necessary for the issuance of school bonds. A fixed rate of interest is required. Bonds need not be offered first to any State agency and the State does not assist with the sale. Funds from the sale of bonds not immediately needed may be invested in short-term obligations of the United States.

The State may guarantee up to 75 percent of a bond issue, when the issuing school district is a cooperative regional district, is the receiving district for an Authorized Regional Enrollment Area, or has experienced an enrollment increase in excess of 10 percent in one year.

Bond records, tax levies, and payments: Tax levies necessary for the retirement of bonds and the payment of interest are included as part of those authorized for general school purposes. The local school board is responsible for payments on debt service. Specific records must be kept by the school district treasurer.

Short-term indebtedness: School boards are not authorized to incur any indebtedness, either long-term or short-term, for the payment of current expenses of operation. When authorized by the voters at the annual town, not school district, meeting, the town selectmen may borrow money in anticipation of local tax income and may turn that money over to the school board on account of the current assessment or, when such is authorized by school district voters, as an advance on the next year's assessment.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budget forms for all local school districts are prescribed by the State Tax Commission and distributed for local use. In addition, the State Tax Commission prescribes a similar budget form which, by law, must be used in those communities which have adopted the provisions of the Municipal Budget Law.

NEW HAMPSHIRE

Provisions for School Budgets

The fiscal year of independent school districts, and of two dependent districts, begins July 1 and ends June 30. The fiscal years in the other seven fiscally dependent city school systems differ from this and are set, in each case, by city charter.

Local approval: Local school officials have full responsibility for initial preparation of school budgets. Budgets except in fiscally dependent districts and districts operating under the Municipal Budget Law must be submitted directly to the voters for approval at the annual school district meeting. This meeting must be held between March 1 and April 20, or between March 15 and April 30 in cooperative districts, prior to the start of the fiscal year for which the budget is presented. In the nine fiscally dependent city school systems, the school board's budget must be approved and may be modified by the city council. No other approval or action is required. In the districts operating under the Municipal Budget Law, the budget which is presented to the voters is prepared by a committee representing the town and the school board. This budget may not be increased by more than 10 percent by any action taken by the local school district at the annual meeting.

The budgets of all independent school districts, whether operating under the Municipal Budget Law or not, must be posted with the warrant announcing the meeting, at least 15 days prior to the meeting.

State review or approval: For the school districts operating under the Municipal Budget Law, a copy of the completed and voted budget for schools must be filed promptly with the State Tax Commission. This agency has no approval power beyond determining that the budget conforms with all statutory requirements. By regulation based upon broad statutory provisions, a copy of the final budget for every school district in the State must be submitted to the State Department of Education. Here, too, no approval action is involved beyond determining that the budget conforms with all statutory requirements. Budgets for all districts, with any needed revisions in revenue estimates, are to be filed with the State Tax Commission and the State Department of Education by July 25th.

Provisions for School Audits

Annual school audits must be made in all districts. One or more local school auditors are chosen at the annual meeting of the school district. In lieu of this, the voters of the district may choose to request that the audit be made by the State Tax Commission. When this choice is made, the district becomes liable to the State for the actual cost to the State Tax Commission of making the audit. A certificate that the auditors have approved the district records must be filed annually with the State Department of Education and the State Tax Commission.

NEW JERSEY

PUBLIC SCHOOL FINANCE PROGRAM, 1972-73

NEW JERSEY PUBLIC SCHOOL FINANCE PROGRAM, 1972-73 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Edward W. Kilpatrick, Assistant Commissioner of Education, New Jersey State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 28 percent of the non-Federal revenue for local elementary and secondary schools, including only State, county, and local revenue receipts, is provided by the State.
2. There are no earmarked taxes.
3. The principal school fund (known as the Bateman Act) consists of two di[illegible]butions: (1) Minimum Support Aid and (2) Incentive Equalization Aid. Entitlements under these distributions are calculated on the basis of weighted resident pupils and vary according to the classification of a district in one of five possible categories. However, all districts are currently classified as basic districts. All districts receive minimum support aid of $110 per pupil. Districts whose actual equalized valuation per pupil is less than the guaranteed valuation per weighted pupil participate in the incentive equalization aid portion of the Act.
4. AFDC children are given a weighting of .75 in addition to grade level weightings.
5. Another 20 State funds account for the 5 percent of the State Support Program. Purposes of these distributions include support for: high population areas; vocational and technical education in day and evening schools; helping teachers, at[illegible]dance officers, and supervisors of child study; county [illegible]intendents' salaries; adult education; aid to needy [illegible]cts; education of institutionalized children and State [illegible] foreign born; county audio-visual aids centers; [illegible]en resident on State-owned property; school lunch, [illegible]ency building aid, public school law enforcement officers; ma[illegible]ower development and training; and the Work-Study program.

LOCAL SUPPORT

1. For all practical purposes, all of the county and local revenue for public support is provided from property taxes. About 1.3 percent of the local revenues is from miscellaneous sources other than property taxes.
2. Intermediate district property taxes account for less than one-tenth of 1 percent of the income from property taxes.
3. Intermediate district revenue is from a countywide property tax levied for the county superintendents' office expenses.
4. No specific tax rate is required to be levied to participate in the Bateman Act.
5. There is no specified tax rate limit for local school district support.
6. Debt limits, based on equalized full valuations on real property, are from 1 1/2 to 4 percent of such valuation, depending on the grade levels of instruction operated by the school district. Also, unused portions of the 3 1/2 percent municipality debt limit may be used for school purposes where boundaries are coterminous and where proper approval has been obtained.
7. Taxes, as necessary, are authorized and required for debt service payments and are in addition to other authorized taxes.

STATE SUPPORT, 1972-73 NEW JERSEY

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total		$551,103,434	(100.0%)		
STATE SCHOOL INCENTIVE EQUALIZATION AID LAW (N.J.S., Ch. 234, Laws of 1970)		$278,543,000	(50.5%)		
WEIGHTINGS, GUARANTEES, AND CLASSIFICATIONS				State share: Calculated amount of Minimum Support Aid and Incentive Equalization Aid. However, no school district receives less from these aids and county vocational school aid than it received under the 1970-71 allocation of per pupil aid excluding Transportation Aid and Atypical Aid. Local share: No specific rate is required; however, whenever the local current expense tax appropriation is reduced by the locality to an amount less than the local tax requirement determined in the computation of the Incentive Equalization Aid, the Commissioner recalculates the State Aid applicable to the district.	Requirements for participation: Provide public school facilities for at least 180 days. Conform to all rules and regulations formulated by State Commissioner of Education or the State Board of Education. Extent of participation: All 595 school districts.
Resident pupils weightings....	Kindergarten pupils	.75	units		
	Elementary pupils (grade 1 through grade 6)	1.0	units		
	Seventh and eighth grade pupils not in approved middle schools or junior high schools approved by the Commissioner of Education	1.15	units		
	Pupils in approved middle schools and in approved junior high schools	1.25	units		
	Five and 6-year high school pupils	1.275	units		
	Senior and 4-year high school pupils	1.3	units		
	Vocational school pupils in vocational schools or classes (equated to full-time)	2.0	units		
	Evening school pupils (equated to full-time)	1.0	units		
	Accredited evening high school pupils and pupils in post graduate high school classes (equated to full-time)	1.3	units		
	AFDC children (children aged 5-17 receiving aid through payments under a program of aid to families with dependent children)	.75	additional units		
Classification of school..... districts	a. Non-operating district: One which operates no schools of its own; b. Basic district: One in which one or more schools are operated and which meets all basic requirements of school law; c. Limited district: A basic district which meets such other criteria prescribed by law; d. Intermediate district: A district which meets all requirements of a limited district and which meets such other additional criteria prescribed by law;				

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
STATE SCHOOL INCENTIVE EQUALIZATION AID LAW--continued		
e. Pre-comprehensive district: A district which meets all requirements of an intermediate district, and which meets such other additional criteria prescribed by law; or		
f. Comprehensive district: A district which meets all requirements of a pre-comprehensive district and which operates educational programs characterized by their diversity and high quality as prescribed for such classification by law.		
NOTE: Since this Act has not been fully funded, all districts are being treated as Basic Districts. The Legislature has continued this uniform classification for 1972-73. The Commissioner of Education by law is charged with developing recommended criteria and standards to be used in the classification of districts. The classification scheme is to be based on the quality of the educational program of the districts.		
School district guaranteed valuations.................... Not less than $30,000.00 in a basic district. Not less than $33,750.00 in a limited district, Not less than $37,500.00 in anintermediate district, Not less than $41,250.00 in a pre-comprehensive district, or Not less than $45,000.00 in a comprehensive district.		
PROGRAM CALCULATIONS		
Minimum support aid portion. The number of resident weighted pupils of a school district times one of the following rates: Not less than $100.00 in a non-operating district. Not less than $110.00 in a basic district, Not less than $122.50 in a limited district, Not less than $135.00 in an intermediate district, Not less than $147.50 in a pre-comprehensive district, or Not less than $160.00 in a comprehensive district.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
STATE SCHOOL INCENTIVE EQUALIZATION AID LAW--continued		

Incentive equalization aid portion................ For incentive equalization aid, local districts are guaranteed a property tax base as follows:

Basic district	$30,000
Limited district	33,750
Intermediate district	37,500
Precomprehensive district	41,250
Comprehensive district	45,000

(1) If the guaranteed valuations are less than the equalized valuations for a district no incentive equalization aid is paid.

(2) If the guaranteed valuations are greater than the equalized valuations of a district, incentive equalization entitlements are determined as follows: (a) Divide the amount of the district's net operating budget (local current expense and incentive equalization aid revenues only) by the guaranteed valuation to establish an applicable district tax rate requirement. (b) Multiply this tax rate by the equalized valuation of the district to obtain the district tax requirement. (c) Multiply this tax rate by the excess of the guaranteed valuation over the equalized valuation to obtain the State incentive equalization aid.

NOTE: For 1972-73, entitlements under this Act are calculated on the basis of the amount of aid which would have been received based on the formula in effect on January 1, 1970, plus 40 percent of the difference between that aid and the amount required to carry out in full the provisions of this Act. (See guarantee provision under State share description .)

Guaranteed valuation and minimum support aid adjustment................ School district guaranteed valuation for districts is adjusted annually by the percent change (increase or decrease) on State average valuation per weighted resident pupil over a designated base year. Minimum support aid is adjusted annually in proportion to day school per pupil cost over a designated base year.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL BUILDING AID FUND (18:58-21, N.J.S.) $ 29,720,514 (5.4%) The capital foundation program for the year is the sum of the amounts appropriated for debt service, capital outlay, and net addition to the capital reserve fund not to exceed $45 per pupil in weighted resident pupil enrollment. (The same pupil weightings apply to this program as are applied in Minimum Support Aid and Incentive Equalization Aid .)	State share: Aid payable to the district is the difference between the $45 per pupil and the amount raised per resident pupil from a local fair share of .75-mill tax levied on equalized valuation of property, adjusted for federally connected pupils. Local share: The local districts must allocate annually to the debt service, capital outlay, or the capital reserve fund the revenue from the .75-mill levy. District receives nothing if local levy raises more than $45 per pupil.	Requirements for participation: Same as Minimum Aid Fund. In addition, districts must maintain acceptable school building facilities which have been or hereafter are prescribed by law, Commissioner of Education, or State Board of Education. Also must budget in a year more than the amount of a .75-mill levy yield in order to receive State funds. (See State and Local Share.) Extent of participation: 499 school districts. Distributed: Monies are distributed or placed on deposit with the State Treasurer to the credit of local districts in 2 equal installments, November 1 and May 1.
TRANSPORTATION AID FUND (18A:58-7, N.J.S.) $ 35,491,000 (6.4%) 75 percent of the approved cost of transportation for children in grades K-12.	State share: 100 percent of calculated amount (75 percent of approved cost). Local share: 25 percent of approved cost.	Requirements for participation: Same as Minimum Aid Fund except the district must be providing transportation for which the necessity, the cost, and the method have been approved by the county superintendent of schools. Extent of participation: 576 school districts. Distributed: 4 equal installments (Same as Minimum Aid Fund).
ATYPICAL PUPIL AID FUND (18A:58-6, N.J.S.) $ 41,965,000 (7.6%) For K-12: mentally retarded, visually handicapped, communication handicapped, neurologically or perceptually impaired, orthopedically handicapped, chronically ill, emotionally disturbed, socially maladjusted or multiply handicapped. .... Each district receives aid to the extent of half of costs except that no district shall receive less than $3,000 per approved class and half of the approved tuition paid to another local district, jointure commission, State operated facility, or private school.	State share: 100 percent of the calculated amount. Local share: None.	Requirements for participation: School district may provide special classes for physically handicapped or mentally retarded children, if approved by State Board of Education, or send pupils to an approved special class in another district or private school. Distributed: 4 equal installments (Same as Minimum Aid Fund).

STATE SUPPORT, 1972-73 NEW JERSEY

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
VOCATIONAL EDUCATION FUND (18A:58-34, N.J.S.) $ 3,300,000 (.1%) Amount added to local contribution to insure maximum entitlement of Federal funds.	State share: Amount sufficient to supplement local contribution to match Federal funds. Local share: Local share to meet matching requirements for Federal funds.	Requirements for participation: District must provide a Vocational Education program which meets the requirements of the Vocational Education Act of 1963 and the State plan for vocational education. Distributed: Paid during second quarter of school year.
VOCATIONAL EVENING SCHOOL FUND (18A:54-9, 18A:54-32, N.J.S.) $ 1,200,000 (-) State provides $1 for each $1 raised locally up to a maximum of $10,000 per school.	State share: Matching amount up to $10,000 per school. Local share: Dollar for dollar up to $10,000 per school, above this all is local share.	Requirements for participation: Districts must provide courses and meet standards prescribed by the State. Counties may establish part-time county vocational schools upon the approval of the State Board of Education. Both evening vocational schools and part-time county schools participate on this basis. Extent of participation: 39 school districts. Distributed: Paid during second quarter of school year.
ADULT EDUCATION FUND (18A:50-7, N.J.S.) $ 450,000 (-) 2/3 salary of approved Supervisor.	State share: 100 percent of calculated amount up to $12,000. Local share: 1/3 salary of Supervisor.	Requirements for participation: District must employ a full-or part-time supervisor of Adult Education. Supervisor abides by rules and regulations established by State Board of Education. Extent of participation: 51 districts. Distributed: Annually.
EMERGENCY AID FUND (18A:58-11, N.J.S.) $ 200,000 (-) State Commissioner of Education with approval of State Board of Education may distribute funds to meet unforeseeable conditions.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Same as Minimum Aid Fund. Extent of participation: 16 school districts. Distributed: When unforeseeable conditions occur.

STATE SUPPORT, 1972-73 NEW JERSEY

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
EVENING SCHOOL FOREIGN-BORN FUND (18A:49-3, N.J.S.) $ 96,000 (-) Dollar for dollar matching up to a maximum of $5,000 per district.	State share: 100 percent of approved amount. Local share: Matching up to maximum of $5,000, over this amount all local.	Requirements for participation: Districts must provide courses and meet standards prescribed by the State. Students must be foreign-born and over 14 years of age. Extent of participation: 34 school districts. Distributed: Paid during second quarter of school year.
COUNTY AUDIO-VISUAL AIDS CENTERS FUND (18A:51-9, N.J.S.) $ 100,000 (-) State provides matching funds from a $500 minimum to a $5,000 maximum raised locally by donation or assessment.	State share: 100 percent of approved amount. Local share: Raise a sum of $500 and provide matching funds to $5,000, all local above $5,000.	Requirements for participation: Boards of Education of 2 or more districts may establish a county center. Management is vested in a commission, 3 members from participating boards of education, 3 members elected from the professional staffs and 1 ex officio member, the county librarian, if there be one; if not, then one is elected from among county librarians. Extent of participation: There are 20 county centers with 495 participating districts. Distributed: Paid during second quarter of school year.
RESIDENT ON STATE-OWNED PROPERTY FUND (18A:58-5.2, N.J.S.) $ 272,000 (-) Sum of $200 per pupil is paid for each pupil residing on State-owned property, provided that this amount when added to the Minimum and Equalization Aid does not exceed the average per pupil cost in the State for elementary or secondary education, whichever applies.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Same as Minimum Aid Fund. District must have 10 or more pupils in average enrollment who reside on State owned property for which no amount in lieu of taxes is paid to the district. Extent of participation: 10 school districts. Distributed: Paid during second quarter of school year.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL LUNCH FUND (18A:58-7.1, N.J.S.)	$ 6,254,000 (1.1%)		
	State provides fund to guarantee 9 cents per lunch for the general cash-for-food assistance phase of the program whenever the Federal funds available are not adequate to cover amount.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Districts must participate in the National School Lunch Program.
EMERGENCY BUILDING AID (18A:58-33.2, N.J.S.)	$ 6,926,000 (1.2%)		
Used for payment of debt service on bonds for school construction of certain needy districts..	Amounts of building aid paid under this Section shall only be used for the payment of debt service (interest and principal) on bonds issued for school purposes, provided that the total amount of bonds issued by school districts for school purposes in accordance with resolutions adopted by the State Board of Education and for the payment of debt service (interest and principal) on which bonds additional State school building aid may be paid to school districts, shall not exceed the sum of $90,000,000.	State share: Calculated amount not to exceed $25.00 per student in average daily attendance. Local share: None.	Requirements for participation: Whenever a local board of education determines by resolution that it is unable to comply with the provisions of 18A:33-1 of the New Jersey Statutes, it may file an application for State building aid with the Commissioner of Education and the State Board of Education. Upon receipt of any such application, the Commissioner of Education and the State Board of Education shall investigate the condition to be made in the district, taking into consideration the unhoused pupils, rate of pupil population increase, total tax rate of the municipality or municipalities of the district, school tax rate of the district, the net debt of the municipality or municipalities and the school debt, the density of population, the apportionment valuation in support of each child, the number of children on welfare roles, and such other factors as the Commissioner and State Board may deem necessary. If the findings of the investigation show, to the satisfaction of the State Board of Education, that the district is not able to provide the necessary facilities to house the children of the district, the State Board of Education may, by resolution, declare the district to be entitled to additional State school building aid. Extent of participation: 46 districts. Distributed: Upon approval of application.

STATE SUPPORT, 1972-73 NEW JERSEY

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
STATE CONTRIBUTION TO TEACHERS' PENSION FUND (18A:66-33, N.J.S.)	$122,811,920 (22.3%)		
Employer share of pension... contribution and social security for covered positions of prior year	Legislature makes an appropriation sufficient to provide for obligation of the State.	State share: Amount necessary to provide employers' share. Local share: None. Deductions are made from rate certified by the Board of Education.	Requirements for participation: Any person who becomes employed as a "teacher" is required to be a member except for certain persons who, because of age, veterans' options, or teacher status prior to effective dates of the law, may elect not to be a member. It further covers janitorial employees of local boards of education employed before August 1, 1966. Extent of participation: 582 districts. Distributed: Used to pay the Teachers' Pension and Annuity Fund on July 1 and January 1 of each year.
ADULT HIGH SCHOOL EQUIVALENCY (18A:50-12 to 18A:50-14 incl., N.J.S.)	$ 1,130,000 (-)		
	2/3 of the approved annual operating costs.	State share: 2/3 of cost. Local share: Remainder of cost.	Requirements of participation: District must provide programs designed to provide adults and out-of-school young adults with the equivalent of a high school education and prepare them to secure a high school equivalency certificate. Distributed: Four equal installments: October 1, December 1, March 1, and May 1.
ADULT LITERACY FUND (18A:59-7, N.J.S.)	$ 889,000 (-)		
	State matching funds of 10 percent allocated to participating districts.	State share: 100 percent of calculated amount. Local share: Remainder of cost.	Requirements for participation: Districts must provide programs which meet the criteria for Adult Basic Education (P.L. 91-230).
PUBLIC SCHOOL SAFETY ACT (18A:17-43, N.J.S.)	$ 1,500,000 (-)		
	Up to 75 percent of salaries for Public School Law Enforcement Officers.	State share: 100 percent of calculated amount. Local share: Remainder of costs.	Requirements for participation: Any boards of education wishing to employ a public school law enforcement officer shall submit to the county superintendent of schools an application for authorization to make such apportionment. The application shall set forth the reasons for the request, school or schools with enrollments for which officers are requested, hours during which such protection is required, job description, salary range to be used, qualifications or

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
PUBLIC SCHOOL SAFETY ACT--continued			training required, and the number of officers to be assigned to each school. The county superintendent of schools shall review the application and submit it to the Commissioner for final approval. Extent of participation: 8 districts.
CHILDREN RESIDENT IN INSTITUTIONS (18A:38-2.1, N.J.S.)	$ 355,000 (-) Amount per pupil not to exceed average cost when added to minimum and equalization aids.	State share: 100 percent of calculated amount. Local share: Remainder of cost.	Requirements for participation: Districts must have an unreasonable number of persons who have been placed in homes, societies, agencies, or institutions by order of a count of compentent jurisdiction, or any person for whom the State is a guardian. Extent of participation: 13 districts.
NON-PUBLIC ELEMENTARY AND SECONDARY EDUCATION ACT (18A:58-38, N.J.S.)	$ 19,500,000 (3.5%)		
Textbook aid...............	The State pays to the parents of children enrolled in non-public schools not more than $10.00 for each child in kindergarten through grade 8 and $20.00 for each child in grades 9 through 12.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Each non-public school certifies to the Commissioner a list of enrollment by name of pupils and parents.
Instructional materials, ... supplies, and auxiliary services	The remaining funds (after State administrative costs and the amount of the warrants issued to parents have been deducted) are distributed to non-public schools on the basis of enrollment.		
WORK-STUDY PROGRAM	$ 200,000 (-) State funds are added to Federal grants. Funds were mainly used for summer programs.	State share: 100 percent of calculated amount. Local share: Remainder of cost.	Requirements for participation: Vocational Work-Study is a non-credit program of financial aid for needy vocational students between 15 and 20 years of age, providing part-time work outside of school hours. Students may perform work in school systems or other public agencies and such work will be supervised and coordinated by school personnel. Eligible students are those enrolled in Vocational Programs approved by the Division of Vocational Education. Extent of participation: 18 districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
MANPOWER DEVELOPMENT AND TRAINING ACT $ 200,000 (-)		
Provides occupational....... training for unemployed and under-employed persons who cannot reasonably obtain appropriate full-time employment without training Under the provisions of the Manpower Development and Training Act of 1962, as amended, the State allocates matching funds of 10 percent.	State share: 100 percent of calculated amount. Local share: Remainder of cost.	Requirements for participation: Provisions of the Manpower Development and Training Act of 1962, as amended.

NEW JERSEY

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1972-73

Provisions for Raising School Revenue

Property assessments: Property is assessed by local assessors or local boards of assessors. Local assessors may be either elected or appointed. The county board of taxation establishes a uniform ratio of real property assessment within the county. The ratio is expressed as a multiple of 10 percent with a minimum of 20 and a maximum of 100. The State Division of Taxation determines the "Common Level" for the assessment of tangible personal property used in business. The county board of taxation may review and revise assessments upon appeal from the taxpayer or taxing district. A State Board of Tax Appeals may review and revise appeals from the decisions of the county tax board.

The Division of Taxation is empowered to investigate equalized local property assessments, prepare State equalization tables, determine the average rate of taxation in the State and, in general, supervise the activities of local tax officials. This division is required to promulgate a table of equalized property valuations for use by the State Commissioner of Education in the apportionment of State School Aid and by the local school districts and municipalities for legal borrowing capacities. Local assessments are not affected. The local municipality may appeal the ratio used in fixing the State equalizations to the Division of Tax Appeals.

Intermediate districts: Intermediate district revenues are used for county superintendents' office expenses. There are no intermediate district revenue sources other than property taxes.

Local districts: Only tax rates for debt service may be levied without a vote. Approval of the bond issue authorizes local boards of education to levy annually the amount required for debt service. There is no specified limit to the tax rate for debt service.

All tax levies for current operating expenses must be approved by a vote of the people in Type II districts. Should voters reject any of the items submitted at the annual election, the governing bodies comprising such school district shall within 30 days after receipt of the proposed budget from the board of education, certify to the county board of taxation the amount necessary to provide an adequate educational program. If the governing body or bodies fail to certify the amount needed within the time limits specified, then the State Commissioner of Education shall determine and certify to the county board of taxation the amount necessary to provide an adequate educational program.

In Type I districts, the board of school estimate, and not the voters, approves the budget. For these districts, the levy for current operating expenses may not exceed 1.5 percent of the valuation of taxable property without the concurrence of the municipal governing body. There is no legal tax rate limit to the amount of tax levies which can be approved by a vote of the people in any school district. Almost all local revenues for schools are derived from property taxes.

Provisions for School Indebtedness

Initiating bond issues: Boards of education in Type II districts initiate proposals and arrange for issuance of bonds. In Type I districts the proposals for bonds are also initiated by the board of education but must be approved by the board of school estimate. Bonds are issued by and become an obligation of the municipality.

Type I and Type II districts (except regionals) may use any part of the unused portion of the 3 1/2 percent limitation on average equalized valuations of real property of the coterminous municipality or municipalities with a two-thirds vote of the municipal governing body or a majority vote of the municipal governing body and a subsequent vote of the electorate in a Type I district and by a vote of the electorate in a Type II district. All districts may exceed the limitations on school indebtedness upon the vote of the electorate with prior approval of the State Commissioner of Education and the State Local Finance Board.

Voting requirements: In Type I districts, the board of education decides the necessity for the expenditure of funds and delivers a statement of the estimated amount of money needed to each member of the board of school estimate. The board of school estimate fixes the amount and delivers a certificate of the amount to the governing body of the municipality and to the board of education. The governing body, subject to statutory limitations, borrows the amount or amounts necessary in the corporate name of the municipality.

In Type II districts, the proposal must be submitted to the voters and a record of the proceedings must be transmitted to the Attorney General for his approval of the legality of the proceedings. Favorable vote of a majority of those voting upon the proposition shall authorize the issue.

Approval and sale of bonds: If the specified statutory debt limits are to be exceeded, the approval of the State Commissioner of Education and the State Local Finance Board must be obtained prior to the election. Approval of the proceedings must be obtained from the Attorney General after the election.

Bonds are not sold strictly on the "yield" basis. All bonds shall be sold at not less than par, may be offered at more than one interest rate, but must be awarded to the bidder offering the lowest interest rate. If two or more bidders offer to pay the same interest rate, then the one offering the highest additional price is awarded the bid.

It is not necessary to first offer bonds to a State agency, although the bonds may be offered at a private sale to the trustees of the school fund, the board of trustees of the Teachers' Pension and Annuity Fund, or any other board, body, or official of the State authorized to purchase such bonds. All other sales must be made on sealed bids after published notice.

The State does not assist with the sale of bonds; however, since 1958 the State School Building Aid Fund is pledged first to the payment of principal and interest due on school bonds. In the event a default is anticipated in a district's bonds issued subsequent to July 17, 1958, and this is certified to the Commissioner of Education and the Director of Local Finance, the State Treasurer will withhold school building aid money from the district in order to pay the principal and interest on such bonds, so that the default will not occur. For bonds issued subsequent to November 4, 1958, should the monies available from the State School Building Aid Fund prove insufficient,

Provisions for School Indebtedness--continued

the trustees of the State School Building Aid Fund may purchase such bonds or pay interest thereon. Proceeds of the bond issue may be temporarily invested in bonds or notes issued by the United States of America pending the carrying out of the purpose or purposes for which the bonds were issued.

Bond records, tax levies, and payments: Tax levies for debt service are over and above those for the current school program. Bond records and the responsibility for payment of principal and interest rests with the city treasurer in Type I districts. In Type II districts, the secretary of the board of education must certify to the county tax board the amount needed for debt service payments and such amount shall be included in the school tax levy. The secretary of the board of education is also responsible for the bond records and for school debt service payments.

Short-term indebtedness: Districts may borrow, after July 1 and before January 1, half of the appropriation for current expense, and deliver its notes therefore and pay interest not exceeding six percent per annum.

Type II districts must issue notes to obtain funds to pay debt service requirements where the secretary of the board of education failed to certify such requirements to the county tax board. Amounts borrowed together with interest costs must be included in the next tax certification to the county board of taxation. These districts may also issue temporary loan bonds or notes in anticipation of the sale of bonds. Such bonds or notes shall be paid from the proceeds of the bond sale. The original temporary loan bonds shall mature in one year but they may be renewed and programmed to mature not more than three years from the date of the original bonds or notes. Also, Type II boards of education may, with the consent of the voters, issue notes for additional appropriations. The funds to pay these notes shall be raised in the debt service account in the same manner in which amounts are raised for the amortization and interest of bonds.

The board of education of any township, incorporated town, or borough school districts may borrow an amount not exceeding 80 percent of the amount of tuition due from another district and such notes shall be paid upon receipt of the tuition money.

Limitations on issuance of bonds: Bonds may be issued for the purchase or improvement of land; the purchase or erection of buildings; additions; alterations, repairs, or improvements of buildings; and the purchase of furniture and other necessary equipment. All bonds for school purposes are serial bonds and must mature within the span of years indicated below.

Type of Construction	New	Addition or Reconstruction
	Years	Years
FRAME	20	15
NON-FIREPROOF	30	20
FIREPROOF	40	30

When bonds are issued for acquiring and improving land, the bonds must mature within 40 years. Bonds issued for furniture and equipment, not in connection with the original constructions, must mature within ten years.

Limitations on debt: Limitations on school indebtedness are statutory. Boards of Education of Type II districts, and for Type I districts, the local governing body may issue bonds up to the limits indicated below for grade levels maintained or to be provided by the issue. The limits are expressed as a percentage of the average equalized valuations of real property, together with improvements, for the preceding 3-year period.

Grade levels of instruction provided or to be provided	Percentage of average Equalized Valuation
Kdgn thru 6th grade	2 1/2
Kdgn thru 8th grade	3
Kdgn thru 9th grade	3 1/2
Kdgn thru 12th grade	4
7th thru 9th grade	1 1/2
10th thru 12th grade	2
9th thru 12th grade	3
7th thru 12th grade	3 1/2

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budget forms for all districts are prescribed and provided by the State Department of Education. The school fiscal year begins on July 1 and ends on June 30.

Local approval: In all school districts, budgets are prepared and tentatively approved by local school officials between the second Tuesday in January and the first day of February and by regional districts one week earlier. A public advertisement setting forth the budget and notice of public hearing on the budget must be printed in a newspaper published or circulated within the district. In Type I school, the local school tax levy is fixed and determined by a board of school estimate. The local school tax levy must be approved by the municipal governing body if the rate exceeds 15 mills.

State review or approval: All school districts must file a copy of their budgets with the State Department of Education, which has the responsibility of seeing that State current expense and building aid apportionments are properly anticipated as revenue and that the proposed expenditures are sufficient for compliance with mandatory provisions of the law. There is no prescribed date for filing the budget, but it is recommended .hat it be filed five days prior to publication.

Provisions for School Audits

In accordance with the provisions of Chapter 220, Laws of New Jersey, 1951, 18A:23-1 and 2, every district shall cause an annual audit of the district's accounts of financial transactions to be made and completed not later than three months after the end of each fiscal year. The board shall employ a certified public or registered municipal accountant of New Jersey who shall hold a license as a public school accountant. If a district fails to comply, the Commissioner of Education may cause such an audit to be made. The district board is liable for payment upon the presentation of the bill by the auditor. Two copies of the audit report must be filed with the Commissioner of Education five days after such report is filed with the district.

NEW MEXICO

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

NEW MEXICO PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is a part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Harry Wugalter, Chief, Public School Finance, New Mexico State Department of Finance and Administration, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 83 percent of the non-Federal revenue for public elementary and secondary schools including only State grants and county and local revenue receipts, is provided by the State.

2. Estimated percentages of the funds for State Support are as follows: General Fund Revenue, 75 percent; Mineral Lease Revenue, 9 percent; Current School Fund Income, 16 percent--(1) Interest of Investment on Permanent Fund (12 percent), (2) Land Income (3 percent), and (3) 1/2-mill levy, Fines, Forfeitures, etc. (1 percent).

3. With the exception of the Equalization Distribution, which has equalizing aspects, all other State distribution described in this leaflet can be classified as flat grants.

4. Basic Support and Current Fund Distributions combined assure a program level equal to 70 percent of the total Basic Program. These distributions represent 83.4 percent of State Support.

5. Funds are appropriated by the Legislature for free textbooks from the Mineral Lease Revenue Fund.

LOCAL SUPPORT

1. Approximately 85 percent of the county and local public school revenue is obtained from property taxes.

2. An estimated 58 percent of the property tax revenue is from a countywide levy, and the balance is from separate local levies.

3. Countywide revenue sources for schools, other than property taxes, provide the remaining 15 percent of the county and local revenue receipts. Included among these sources is 15 percent of the motor vehicle license tax.

4. No specified county or local district school tax rates are required for participation in the State Support Porgram, but each county is required to levy a 1/2-mill property tax and transmit the receipts from this tax to the State Treasurer. This is redistributed to the district via the Current School Fund distribution.

5. 6.7 mills is levied countywide on all assessed property, unless county reappraisal has not been completed, then 5 mills is levied. This levy is for general school purposes and is distributed on ADM percentages to the districts. However, county commissioners may levy a general school tax of up to 10 mills and a special district tax for schools not in excess of 5 mills, exclusive of principal and interest. In addition, a tax levy is made on property in the local school district, and income from this source is used within the district where levied, but under the 20-mill limitation for tax levies in New Mexico this tax can be 4.45 mills minimum. In municipalities, unless the municipality waives the levy to the school district, the maximum district levy is 2.225 mills.

6. School debt is limited to 6 percent of the local assessed valuation of taxable property in the district.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total	$145,128,400 (100%)		
PUBLIC SCHOOL EQUALIZATION (Sec. 77-6-19 N.M.S.A., 1953 Compilation as appropriated by Ch. 327, Laws of 1971)			
Basic Program (Sec. 77-6-18 through 77-6-18.5, N.M.S.A., 1953 Compilation)	$ 96,052,632 (66.2%)		
Current Expense, grades 1-12..	Estimated $346.95 per ADM The basic program cost of a school district is computed by determining the total staffing cost of the school district and the supportive cost for the school district.	State share: 70 percent of calculated amount minus amount from the Current School Fund. Local share: None. However, each county is required to levy a .5-mill property tax and transmit the proceeds to the State which redistributes the revenue through the Current School Fund distribution.	Requirements for participation: Counties and school districts must keep accurate records as specified and required by State law, the State Superintendent of Public Instruction, and the Chief of the Public School Finance Division. Districts must operate schools at least 180 teaching days and provide at least one full-time equivalent certified classroom teacher for each 25 pupils or major fraction thereof; meet State standards for curriculum and school organization and administration; provide monthly pupil membership reports. Extent of participation: 89 school districts. (Estimated as several consolidations under consideration) Distributed: 12 monthly distributions.
(1) Staff positions.........	The number of staff positions to which the school district is entitled is determined by dividing the school district's forty-day membership, exclusive of membership in approved special education programs, by the divisor found in Column 2 of Schedule 1. For example: District A reports a forty-day membership of 400. The "aide" category divisor is 200; therefore $\frac{400}{200} = 2$ aides to which the school is entitled. Similarly, the school district is entitled to one principal: $\frac{400}{400} = 1$. The resultant quotient is the entitlement for each category unless a category maximum is stated (Column 3), in which case the maximum serves as the upper limit of the entitlement for that staff position. The number of teachers to which the district is entitled is determined from Schedule 2. Find the district's reported forty-day membership in Column 1; the entitlement is found in Column 2 opposite. In case the reported membership falls between two membership figures in Column 1, straightline interpolation is used.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid

SCHEDULE 1.

Column 1 Basic Program Staff Categories	Column 2 Category Divisor	Column 3 Category Maximum	Column 4 Appropriation Unit
INSTRUCTION			
(1) Teachers	Determined from Schedule 2	None	$ 8,350
(2) Aides	200	None	2,900
(3) Specialists	200	None	8,850
(4) Coordinators	1,500	None	12,900
(5) Principals	400	None	12,100
ADMINISTRATION			
(6) Superintendent	250	One	14,600
(7) Administrative Assistants	3,000	Nine	14,050
(8) Administrative Finance & Research Assistants	3,000	Three	14,050
(9) Middle Management	5,000 after 25,000	None	13,550
(10) Technical Personnel	6,000	None	7,250
MAINTENANCE			
(11) Maintenance/Custodial	150	None	4,250
(12) Secretarial/Clerical	300	None	4,550

SCHEDULE 2.

Column 1 School District 40-Day Membership	Column 2 Number of Teachers
75	11.095
100	11.095
125	12.777
150	13.618
175	14.459
225	14.594
275	15.755
325	16.915
375	18.076
425	19.237
575	25.005
725	30.836
875	37.076
1,125	47.168
1,375	57.244
1,625	67.320
1,875	77.396
2,000	82.434
2,500	102.586
3,000	122.738
3,500	142.890
4,000	163.042
6,000	243.655
8,000	324.018
10,000	404.204

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
PUBLIC SCHOOL EQUALIZATION--continued		
12,000 484.268		
14,000 564.516		
16,000 644.647		
18,000 724.579		
20,000 804.512		
30,000 1,204.174		
100,000 4,032.258		
150,000 6,048.387		
(2) Supportive cost......... Supportive cost for the school district is determined by multiplying the total staffing cost determined above by twenty-five percent.		
CURRENT SCHOOL FUND (Sec. 4, Art. XII New Mexico Constitution; Sec. 77-6-34, N.M.S.A.) $ 25,000,000 (17.2%)		
Current Expense, grades 1-12.. Amount per unmarried person 6-18 years of age, inclusive.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: School district must take and report an annual census of unmarried persons 6-18 years of age, inclusive. Extent of participation: 89 school administrative units. Distributed: Quarterly.
SPECIAL EDUCATION (Sec. 77-6-19.2, N.M.S.A., 1953 Compilation) $ 4,500,000 (3.1%)		
Current Expense............... Estimated $921.94 per ADM.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Any school district having school-age mentally handicapped children. Programs must be approved by State Superintendent of Public Instruction and Chief of Public School Finance Division and certified by letter to the local superintendent. Children identified as trainable or educable mentally retarded emotionally or physically handicapped are eligible for special education programs at their level of functioning. Extent of participation: 59 school districts. Distributed: Semi-annual.
(1) Teacher costs........... Figured by multiplying one (1) teacher per twelve (12) special-education pupils, by the staffing unit for specialists in Schedule 1 - Staff Positions--Determination.		
(2) Supporting costs........ Figured at a percent of teacher cost determined by paragraph (1) of this Section for each school district with an approved program. The percent of supporting costs is twenty-five percent.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
TRANSPORTATION PORTION (Sec. 77-6-24, N.M.S.A., 1953 Compilation, Sec. 77-14-9) $ 8,783,000 (6.1%)		
(1) School-owned buses...... Allowance for operation and maintenance based on road conditions, size of bus, and number of daily route miles traveled by a bus. Also, allowance is made for frequent bus stops and heavy grades. Salary allowance for drivers, based on hourly rate and daily duty hours.	State share: 100 percent of cost to maximum allowance. If proposed allocation exceeds appropriation, allocations are reduced as necessary. Local share: All cost not covered by reimbursement.	Requirements for participation: Pupils must live beyond minimum distances of 1 mile for grades 1-6, 1.5 miles for grades 7-9, and 2 miles for grades 10-12, except where extremely hazardous walking conditions exist. State transportation director is basically responsible for establishing each school bus route. Extent of participation: 89 school districts. Distributed: Monthly for 10 months.
(2) Privately owned buses... Allowance for depreciation based on age and size of bus. Allowance for operation and maintenance based on road conditions, size of bus, and number of daily route miles traveled by a bus. Also, allowance is made for frequent bus stops and heavy grades. Salary allowance for drivers based on hourly rate and daily duty hours.		
VOCATIONAL EDUCATION (Sec. 77-6-19.3, N.M.S.A., 1953 Compilation) $ 749,000 (0.5%)		
(1) Teacher costs........... Equal to the staffing salary unit for teachers in Schedule 1 - Staff Position--Determination.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Submission of a planned program with approval required by the State Superintendent of Public Instruction and the Chief of Public School Finance. Extent of participation: 32 school districts. Distributed: Annually.
(2) Supporting costs........ Figured at a percent of teacher cost determined by paragraph 1 of this Section. The percent of supporting costs is twenty-five percent.		
SUPPLEMENTAL DISTRIBUTION (Sec. 77-6-29, N.M.S.A., 1953 Compilation) $ 7,345,868 (5.1%)		
The Chief of Public School Finance makes distributions from Supplemental Funds in the following areas:		
(1) Equalization distribution ($6,262,579) Amount by which operating revenue from local tax production, motor vehicle fees, Public Law 874, AEC and forest reserve; exclusive of 30 percent of total falls below $93 per ADM.	State share: 100 percent of calculated or approved amount. Local share: None.	Requirements for participation: (1) Equalization distribution: Criteria developed by Chief of Public School Finance in consultation with the State Superintendent of Public Instruction. Present criteria to equalize at $93 per ADM level, 70 percent of income derived from local tax production - using an equalized assessment ratio of 33 1/3 percent and an equalized tax rate for all districts (.002225 District Levy and .006700

STATE SUPPORT, 1971-72 NEW MEXICO

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SUPPLEMENTAL DISTRIBUTION--continued		General County School Levy), motor vehicle fees, P.L. 874, AEC and forest reserve revenues. Extent of participation: 58 school districts.
(2) Out-of-State tuition.... ($200,000) Amount of special request as approved.		(2) Out-of-State tuition: District must exhibit a situation where students subject to the Compulsory School Attendance Law are attending school out-of-State because of unavailability of facilities in the school district or within another district in the State. Extent of participation: 5 school districts (1970-71).
(3) Emergency distribution.. ($150,000) Amount of special request as approved.		(3) Emergency distribution: District must completely justify a totally unexpected occurrence and must not have 5 percent or more of operating budget in cash and invested reserves. Extent of participation: 8 school districts.
(4) Isolated/Essential...... schools ($200,000) Amount of special request as approved.		(4) Isolated/Essential schools: District must have a school unit identified by State Department of Education as isolated and essential. Extent of participation: 9 school districts.
(5) Program enrichment...... ($533,289) Amount of special request as approved.		(5) Program enrichment: District must exhibit a unique financial situation for providing specific programs to meet particular educational requirements that cannot be financed by the Basic or Equalization Distributions.
TEXTBOOK FUND (Sec. 77-13-5 through 77-13-14, N.M.S.A., 1953 Compilation) $ 2,687,900 (1.8%)		Distributed: All of the above distributions are distributed annually.
Amount per pupil in ADM in grades 1-12 in public and private schools.	State share: 100 percent of calculated amount. State buys books as ordered for districts from funds derived from the mineral lease income. Local share: None.	Requirements for participation: File necessary reports and requisitions. Extent of participation: All 89 school administrative units and most nonpublic schools. Distributed: As requisitions are filed, and approved as book orders are filled.

NEW MEXICO

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Local property valuations for taxation purposes are established by county assessors who are elected by the people. Corporate property is assessed by the State Tax Commission, and the Oil and Gas Accounting Commission assesses oil and gas production. County officials have authority to change local assessments but not value determined by the State Tax Commission.

Intermediate districts: By Statute, county commissioners may levy a general county school tax of up to 10 mills and a special district tax for schools not in excess of 5 mills, exclusive of principal and interest requirements. However, there is a 20-mill limitation for State, county school, and municipal for general purposes. Proceeds from the general county school tax are distributed among the school districts in the county according to the proportion the average daily membership of each district bears to the weighted membership of the entire county. If part of a school district lies in two or more counties, the proceeds of the general county school tax levy attributable to the area of the district lying outside the county in which the parent district is headquartered is transferred to the county treasurer of the county in which the parent district is headquartered.

Receipts from the special district taxes levied separately for each district are credited to each district on the basis of tax collections made therein. Each county also levies and collects a 1/2-mill property tax which is transmitted to the State Treasurer (Current School Fund).

In addition to revenue from these taxes, half the receipts from Federal forests located within the county, 15 percent of the motor vehicle license tax are for school purposes. All receipts from these are distributed to the school district according to the proportion the average daily membership of each district bears to the average daily membership of the entire county.

There are no provisions for voting a countywide school tax.

Local districts: Each rural school district is authorized to levy 4.45 mills and each urban school district can levy 2.225 mills on the assessed value of the district without a vote of the people subject to approval of the budget and the extent to which it justifies the levy. There are no provisions for voting a local school tax. Tax limits are based on local assessed valuations.

Section 77-6-37 N.M.S.A. authorizes the Chief of Public School Finance to calculate the net amount to be raised by tax levies and rates thereof for each county and district in the State and certify to each board of county commissioners before the first Monday of September of each year.

Provisions for School Indebtedness

Initiating bond issues: The election on the question of creating a debt by issuing general obligation bonds shall be held at the same time as a regular school district election or at any special school district election which is not within ninety days after a regular school district election. The question shall be submitted upon the initiative of the local board or upon a petition being filed with the local school board signed by qualified electors of the school district having paid a property tax on property in the school district for the preceding year according to the latest completed tax rolls. The number of signatures on the petition shall be at least 10 percent of the number of votes cast for governor in the school district at the last preceding general election (Sec. 77-15-2 N.M.S.A., 1953 Compilation). A local board shall call for a bond election within ninety days from the date a properly signed petition is filed with them.

Limitations on issuance of bonds: Bonds must be serial or can be term if for $10,000 or less, and may be issued for a maximum of 20 years.

Limitations on debt: The constitutional debt limit is 6 percent of the assessed valuation of the school district. No State executive agency has authority to fix or authorize a higher debt limit.

Voting requirements: A favorable vote of the majority of the property owners who are qualified electors and taxpayers voting in the election is necessary to issue school bonds.

Approval and sale of bonds: All bond issues must be approved by the Attorney General. The State does not assist with the sale other than when the State Treasurer purchases bonds. It is not necessary that the bonds be offered first to a State agency. Funds from the sale of bonds that are not immediately needed may be invested in a federally insured bank. Bonds cannot be sold after 2 years from the date of initiation of proceeding for the election. If an election is defeated, an election may be held six months after failure upon presentation of a petition pursuant to Section 77-15-2 N.M.S.A.; if the election is again defeated, no further election on same question shall be held for a period of two years from date of first bond election on the question.

Bond records, tax levies and payments: Bond registers are maintained by the county treasurer so long as the county treasurer is the fiscal agent for the school district.

Section 77-6-42 N.M.S.A. permits local boards of education to act as their own boards of finance. Bond records are also kept by each district.

Bonds cannot be issued or sold after July 1 unless adequate tax levies have previously been made to meet interest and principal payments due for the first year after date of issue.

Short-term indebtedness: Districts are authorized to issue certificates of indebtedness when funds are insufficient to meet the needs during the year. These must be retired before the close of the fiscal year and shall bear interest not in excess of 6 percent a year. In practice, certificates are seldom used.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: All school budgets are in the form and detail specified by the Chief and must contain at least the following items and details under the following headings:

A. General Operations:

(1) Instruction, including salaries of personnel chiefly concerned therewith, textbooks, library and audiovisual materials, teaching supplies and services, and related items

(2) General control, including salaries of administrative personnel legal services, census and election expense, audit, board expense, travel, supplies, and related items.

Provisions for School Budgets--continued

A. General Operations:--continued

  (3) Fixed charges, including insurances, rent, and special assessments.

  (4) Auxiliary services, including costs of attendance services, health services and community services, if any.

  (5) Transportation, including salaries, contracts for service, cost of related equipment and related expenses.

  (6) Operation of plant, including salaries, utilities, and supplies for operation of plant.

  (7) Maintenance of plant, including salaries of persons whose primary duty is repair of buildings and equipment and costs of materials and equipment for repairing and replacing buildings and equipment and for ground maintenance.

B. Capital Outlay

C. Transfer Accounts:

  (1) Loan payments
  (2) Tuition
  (3) Special self-sustaining projects

D. Debt Service:

  (1) Payment to principal
  (2) Payment to interest

(Section 77-6-7 N.M.S.A., 1953 Compilation)

The budget request must be in conformity with guidelines established and published in the *Manual of Procedure for Uniform Financial Accounting and Budgeting for New Mexico School Districts*. This manual is subject to review and approval by the Legislative Finance Committee.[1]

Local approval: Budget requests are prepared by the school officials and must be approved at a public meeting by the local board of education, in writing, prior to submission of the budget to the Chief of Public School Finance. Prior to June 20 of each year, each local school board and the Chief shall, at a public hearing of which notice has been published by the local school board, fix the estimated budget for the school district for the ensuing fiscal year.

State review or approval: All budgets are reviewed by the Chief of Public School Finance and are given his final approval in final budget form on or before the first Monday of September of each year. The budgets are also checked by several Legislative committees, the foremost being the Legislative Finance Committee.

Special Budget Hearings

The Director of the Department of Finance and Administration, after notice of hearing, may authorize an increase in a school budget, after final approval in amounts of more than one thousand dollars. The notice of the hearing shall be published at least once each week for two (2) consecutive weeks in a newspaper of general circulation in the county in which the school unit is located.

Provisions for School Audits

Annual school audits are made by the State Auditor or by some firm or person approved by him. The expense of the school audit is a local district cost.

[1] Chapter 77-6-5, N.M.S.A., 1953 Compilation.

NEW YORK

PUBLIC SCHOOL FINANCE PROGRAM, 1972-73

NEW YORK PUBLIC SCHOOL FINANCE PROGRAM, 1972-73 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. David Billmyer, Associate, Bureau of Educational Finance Research, New York State Education Department, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 44 percent of non-Federal revenue of local school districts is provided by the State.
2. All State support for public schools is provided by legislative appropriation. No State taxes are earmarked for schools.
3. Almost 93 percent of State school support revenue is distributed as general aid.
4. A variable percentage-sharing formula determines the degree to which the State will share in the local districts' expenditures for the basic school program.
5. Operating expenditure aid ranges from a maximum guarantee of $310 per weighted pupil in average daily attendance (WADA) to 90 percent (aid ratio) of the approved operating expenditure ceiling of $860. In addition, the district may receive growth, building, transportation, size correction, and current budget aids.
6. There is an overall guarantee of $304 per pupil or 100 percent of the 1965-66 aid. There are special provisions for less than 8 teacher districts based on operating and transportation expenses only. Boards of Cooperative Educational Services, whereby districts jointly provide services which they could not efficiently provide by themselves, are also aided. School districts are reimbursed for textbooks purchased to loan to public and nonpublic pupils attending grades 7-12. Finally, grants are distributed to urban areas for special educational needs associated with poverty.

LOCAL SUPPORT

1. Property taxes provide almost all of the local share of school district revenue.
2. Local school districts are not authorized to levy nonproperty taxes. Counties, however, may levy such taxes and direct the proceeds to school district support.
3. Nonproperty taxes account for approximately 1.6 percent of the total revenue derived from county and local sources.
4. A tax of at least 11 mills on full property value is required for full participation in the support program.
5. School districts outside of cities have no statutory tax limit. City school districts have tax limits varying from 12.5 to 25.0 mills.
6. School districts in cities of less than 125,000 population are fiscally independent, and the authorized tax limit is for current operating expenses. The five large city districts are fiscally dependent, and the tax limit is an overall limitation, including support for other governmental services. Taxes for debt service, retirement, and social security are outside this tax limit.
7. Standard debt limits for school districts, based on State equalized full property valuation, are: 10 percent for noncity districts; 7 percent for cities under 125,000 population; 9 percent for larger cities other than New York; and 10 percent for New York City.

STATE SUPPORT, 1972-73

NEW YORK

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total . . . . (Est.) $2,532,200,000 (100.0%)		
GENERAL AID (Sec. 3602 of the Education Law and Chapter Law of 1972) $2,345,000,000 (92.6%)		
Definitions		
1) Base and Current Year - The base year is the year immediately preceding the current year during which aid is apportioned and paid.		
2) Full Valuation - The assessed valuation of taxable real property in the district as it appears on assessment roll of the town or city in which the property is located, for the calendar year immediately preceding the calendar year in which the base year commenced, divided by the equalization rate determined for such roll.		
3) Pupils-Weighted Average Daily Attendance (WADA) - 1/2 day kindergarten-------0.50 Full day kindergarten and grades 1-6---------------1.00 Grades 7-12---------------1.25		
4) WADA for Aid - The higher of base year WADA or three-year average WADA.		
5) Resident WADA - WADA of the district plus the WADA of resident pupils attending schools outside the district plus the WADA of resident pupils attending full-time classes operated by a Board of Cooperative Educational or County Vocational Education and Extension Board, minus the WADA of nonresident pupils is used in computing the aid ratio and is for the year immediately preceding the base year.		
6) Approved Operating Expenses - Base year expenses for the regular day-to-day program. Excluded are expenditures for capital outlay and debt service, transportation of pupils, services from a County Vocational and Extension Board or Board of Cooperative Educational Services, tuition payments, interfund transfers and expenses that do not conform to law or regulations. Revenues excluded are Federal and special State aids, rentals, sales and fees, and proceeds of borrowings.		
Program Operation		
Operating Expense Aid........... Districts are allowed to choose the more advantageous of two options. The main provisions are: Option I, State-local sharing of approved operating expenses to $860 per WADA and one-half of the 1969-70 size correction aid. Option II, State-local sharing of approved operating expenses to $760 per WADA, 10 percent additional operating expense aid (a ceiling of $836, in effect), and 100	State share: The State's share of districts' operating expenses is determined by an aid ratio. The formula is: $\text{Aid Ratio} = 1.00 - \left[\dfrac{\text{Full property valuation per RWADA in district}}{\text{State average full property valuation per WADA}} \times .51 \right]$	Requirements for participation: The district must employ 8 or more teachers. It must levy taxes (real property and nonproperty) equivalent to the higher of the following: a tax rate of $11.00 per 1,000 of full valuation; a tax rate equivalent to the rate required to meet the local share for base year approved operating expenses, not exceeding $860, of the district

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
GENERAL AID--continued		
percent of 1969-70 size correction aid.	Limitation and guarantees: (1) The aid ratio is limited to 90 percent. (2) Each district is guaranteed $310 or $274 per WADA for operating expenses, depending on the option chosen. (3) The apportionment for operating expense aid in 1972-73 shall not be less than the amount due and payable in 1971-72. Local share: Balance of cost of program. All costs above maximum sharing level are borne by the district.	of average wealth. For 1972-73 aid, the required tax rate for districts spending at the $860 ceiling or higher is $12.02 per $1,000 of full valuation ranged down to $11.00 for districts spending $787 or lower. Extent of participation: 718 major school districts. Distributed: 8-1/3 percent in each of the months of September, October, and November; 25 percent in each of the months of April, May, and June.
Pupil Growth.................... Approved operating expense aid increased by percent growth in WADA of first attendance period of current year over first attendance period of base year.		
Current Budget.................. Districts whose operating expense per WADA is less than $860 or $760 in the base year, and are budgeting to spend more in the current year, may use budgeted operating expense to $860 or $760 per WADA to compute operating expense aid.		
Size Correction................. (This aid has been eliminated from the Education Law, but, as noted, districts are being paid either one-half or 100 percent of the 1969-70 size correction amount, depending on the option chosen.)		
High Tax........................ Available to districts making an exceptional tax effort, relative to local resources. Aid is computed in the folliwng steps: (1) districts full valuation per WADA multiplied by .002 is subtracted from $60; (2) the remainder, if any, is multiplied by the excess of the local tax rate over $24.00 to a maximum of $7.00 multiplied by .35; (3) the aid is the sum of (1) above and (2) above multiplied by the weighted average daily attendance. Districts with less than 2,000 WADA, otherwise qualified, receive aid in the proportion that such WADA bear to 2,000. Districts which received aid in 1971-72, and qualify for a lesser amount or no amount in 1972-73, are "save harmless" at the 1971-72 amount.		Requirements for participation: To fully qualify a district must have: a 1971-72 tax rate per 1,000 of full valuation of $24.00 or more; 2,000 or more WADA; and 1971-72 full valuation per WADA of less than $30,000.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
GENERAL AID--continued			
	Districts eligible for both high tax and categorical urban education aid receive only the higher of the two.		
Capital Outlay and Debt Service..........................	Cost of construction in relation to rated pupil capacity, limited by a schedule of cost allowances, which are updated by a monthly index of the cost of labor and materials.	State share: Building expense aid is the sum of the base year approved capital outlay and approved current expenses for debt service multiplied by the aid ratio.	Building aid: Building aid is not paid to districts scheduled for reorganization unless the aid will not impede reorganization.
Construction (March 1972)			
Grades K-6.....................	$2,096 per pupil in rated capacity		
Grades 7-9.....................	$2,935 per pupil in rated capacity		
Grades 10-12..................	$3,145 per pupil in rated capacity		
Incidental costs, including site, furnishings, equipment, and professional fees:			
Grades K-6.....................	20 percent of construction cost allowance		
Grades 7-12....................	25 percent of construction cost allowance		
Reconstruction or Modernization..	An amount not to exceed 50 percent of cost allowance for new construction.		
Pupil Transportation.............	Approved transporation costs are those incurred in transporting allowable pupils (living 1-1/2 miles or more from school) to and from school once daily on approved buses over approved routes.	State share: Transportation expense aid is 90 percent of approved expenses.	
Reorganized Districts:			
Incentive aid, operating.......	Operating expense aid is increased 10 percent not to exceed the lesser of 90 percent of approved operating expenses or $860 per WADA for five years. Beginning with the sixth year, the aid is reduced one percent a year until eliminated.		Requirements for participation: To qualify (1) two or more districts must reorganize between July 1, 1965, and July 1, 1973; (2) the reorganization completes the State reorganization plan; and (3) and the reorganization encompasses certain size and types of districts.
Incentive aid, building.........	Reorganized districts entitled to 25 percent additional building expense aid, not to exceed 95 percent of approved expenditures for capital outlay and debt service.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
GENERAL AID--continued			
Minimum Guarantee and Save Harmless....................	An overall minimum guarantee of $304 per WADA or 100 percent of 1965-66 aid is provided.		
Aid to Small Districts.......... (Secs. 3602b and 2043 of the Education Law)* *Amount included in estimate of General Aid for major school districts.	Aid ratio times the smaller of operating expenses or $4,500 per full-time teacher, and base year WADA times $60, plus base year times .90. Transportation expense aid calculated in the same manner as for larger districts.	State share: Calculated amount minus local share. Local share: $9 per $1,000 of full valuation of taxable property for operating districts. A $10 levy for wholly contracting districts, or the levy of the receiving districts if higher.	Requirements for participation: Employ fewer than eight teachers, maintain school or contract for instruction and comply with State law and regulations applicable to such districts. Extent of participation: 21 fewer than eight teacher districts. 21 contract districts. Distributed: Same as major districts.
STATE AID FOR TEXTBOOKS (Sec. 701 of the Education Law)	(Est.) $ 17,000,000 (0.7%)		
	Public school districts are reimbursed for expenditures for textbooks purchased to loan to resident public and nonpublic pupils in grades 7-12. State aid is equal to actual expenditures or $10 per enrolled pupil.	State share: 100 percent.	Requirements for participation: Compliance with education law and regulations. Extent of participation: 672 school districts (1971-72). Distributed: As reports of expenditures are made and verified.
BOARDS OF COOPERATIVE EDUCATIONAL SERVICES (Sec. 1958 of the Education Law)	(Est.) $ 105,100,000 (4.1%)		
	Boards of Cooperative Educational Services composed of two or more school districts, provide more efficiently and comprehensively services and programs than the districts could provide independently. State aid is based on approved expenditures made on behalf of component districts by the board.	State and Local shares: Each school district's share of the approved cost of services and administration provided by the board is an amount which is in the same proportion to the total cost as a six-mill tax is to the district's tax rate for the year. The State aid is the balance of approved expenditures. The State aid to the component district is the higher of the aid computed above or the amount that would be obtained by multiplying approved expenditures by the district's aid ratio. Limitations and Guarantee: 1. Service costs are allowed only for approved services. 2. Only the first $8,500 of an employee's salary is allowed in determining approved cost of services.	Requirements for participation: A district must be a member of a duly constituted board, either by action of the district board of education or by approval of the Commissioner. Extent of participation: 47 Boards of Cooperative Educational Service; 740 component districts. (1971-72) Distributed: Same as major districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
BOARDS OF COOPERATIVE EDUCATIONAL SERVICES--continued	3. Administrative costs may not exceed 10 percent of the Board's total expenditures. 4. A "save harmless" aid based on approved costs in 1966-67 is guaranteed each component district. However, in any year in which approved costs are lower than in 1966-67, aid will be reduced proportionately. Capital Costs: Boards of Cooperative Educational Services may acquire or construct buildings. On voter approval, the New York State Dormitory Authority may act on behalf of BOCES to provide the financing. Buildings may also be financed from budgetary appropriations. Approval of the Education Department is necessary. The apportionment for approved capital costs is determined by multiplying each component district's share of such costs by the aid ratio, not to exceed .90.	
URBAN EDUCATION AID (Sec. 3602 of the Education Law) (Est.) $ 47,000,000 (1.9%) Categorical - Provided to urban, mostly city, school districts for special educational needs associated with poverty. An urban district is defined as one with 4,500 or more WADA. A heavy concentration of pupils having special educational needs associated with poverty is defined as a number equal to or exceeding 1,100 when the WADA of the districts is multiplied by the percent of 6th-grade pupils scoring below level four on October 1967 New York State reading test, provided, however, that the number of children living in families receiving Aid to Dependent Children, residing in the district, for the school year 1967-68, equals or exceeds five percent of the WADA. ... The share to each eligible district shall be computed as follows: (1) 1,000 shall be deducted from its number of pupils with special educational needs associated with poverty; (2) the excess over 1,000 for every district shall be added to obtain the total excess; (3) the excess in each district shall be divided by the total excess to determine its apportionment percentage; (4) its percentage shall be used to determine its share in the appropriated amount.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Meet the pupil requirements and develop projects in accordance with regulation promulgated by the Commissioner of Education. Extent of participation: 35 districts. Distributed: November, March, and June.
General*......................... An all-purpose grant available only to urban districts using Option I ($860 ceiling) to compute operating expense aid, and who qualify for categorical urban aid in 1972-73.	State share: Determined in the same manner as above. Local share: None.	

*Amount under General Aid.

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
SPECIAL EXPERIMENTAL PROGRAM AID (Various Sections)	(Est.) $ 7,200,000 (0.3%)		
Six programs designed to meet...... special needs of selected districts and children or to explore new educational processes.	Funds are provided each year by specific appropriation. Aid is based on approved cash expenditures for approved projects.	State share: It varies, depending on the method prescribed by law or Commissioner's regulations. For most programs the State's share is at least 50 percent of the approved cash expenditures. Local share: Balance of approved amounts.	Requirements for participation: Approval of application for participation from the State department unit responsible for administering the program. Extent of participation: Approximately 45 districts. Distributed: At beginning and close of school year.
SCHOOL LUNCH AND BREAKFAST PROGRAM AID	(Est.) $ 11,000,000 (0.4%)		
	School lunch aid is by allowable amount per meal, by type of meal served, to supplement Federal grants when Federal funds are exhausted. The jointly financed school lunch program is supplemented with a school breakfast program ($2.5 million). Federal programs are limited to simple cold breakfasts with a very small subsidy. The State provides a hot breakfast, and the subsidy may be as much as 40 cents.	State share: 100 percent of allowable amount. Local share: None.	Requirements for participation: Provide nonprofit school lunch program meeting nutritional requirements for the type of program in which it is participating. Extent of participation: Approximately 720 districts. Distributed: Monthly.

NEW YORK

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1972-73

Provisions for Raising School Revenue

Property assessments: Assessments are made by town, city, village or county assessors, who are generally elected. The State Board of Equalization and Assessment has no authority to change locally established assessments. Among other duties, it has the power to establish State equalization rates for each county, city, town and village; assess special franchises; approve assessments of State lands subject to taxation; and exercise general supervision over the assessment function in the State.

Market value ratios are established for each new assessment roll by the State Board of Equalization and Assessment. The Board compiles sales data and appraises a sampling of property as a basis for such ratios. The Constitution provides that tax and debt limits be based on a five-year average of full valuation as determined by the State equalization rates.

Assessed valuation of property on the rolls adjusted by the State equalization rates determined for such rolls is used to apportion school aid and some other municipal aids. Equalization rates are determined for each town within a county with no reference to school district boundaries. Joint school districts, those whose boundaries cross town or city lines, must apply to their assessed valuation in each town the equalization rate for that town in order to spread taxes equally.

Property taxes are not collected, nor are funds for education distributed, on a countywide basis. However, counties are allowed to levy nonproperty taxes and distribute the proceeds to districts having territory in such counties. Where such taxes are levied, the proceeds, after paying the costs of administration, are distributed on the basis of ADA or some other basis determined by the board of supervisors or county legislature.

Local districts: School districts outside of cities have no statutory tax limit for current operating expenses. The debt limit is 10 percent of the five-year average full valuation, except that this may be exceeded by a 60 percent vote of qualified voters at an annual or specially called meeting.

School districts in cities under 125,000 population, although fiscally independent, are prohibited from levying a rate of taxation for current operating expenses in excess of the 2.5 mills next above their actual rate for the year prior to the year in which the limitation was originally imposed (1950) without a 60-percent affirmative vote of the people. Original limits ranged from 12.5 mills to 20.0 mills which is the maximum allowable rate. These rates may be increased by 2.5 mills per year until the maximum limit of 20.0 mills is reached. Each increase requires a vote of the people and at least a year must elapse between such increases. The rates apply to the preceding five-year average of State-equalized full property valuations. The tax rate for debt service is not included within these limits.

Cities above 125,000 population are fiscally dependent or subject to municipal budgetary control. A constitutional tax limitation of 20.0 mills on the preceding five-year average of State-equalized full property valuation applies to all city services which include education. Thus, the tax levy for schools is included within the overall city's 20.0-mill limitation. The board of education in such cities presents its budget to the appropriate municipal authorities, who, in turn, react to the budget and levy the taxes without a vote of the people and appropriate the money to the board of education to operate the schools. The tax rate for debt is excluded from the overall limitation. For New York City, the limitation is 25.0 mills on State-equalized property valuations, also excluding debt service.

Provisions for School Indebtedness

Initiating bond issues: Proposals to issue bonds are started in the local school districts by action of the local boards of education.

Limitations on issuance of bonds: All bonds issued by local boards of education must be serial bonds. The maximum time limit for retirement of any of the serial bonds is 30 years from the date of issue.

Limitations on debt: The limitations on school indebtedness are: for other than city school districts, statutory; in city school districts with less than 125,000 population, constitutional; and in city school districts with more than 125,000 population, constitutional.

Bonds for school indebtedness in other than city school districts may be issued up to a value not to exceed 10 percent of State-equalized full property valuation by a majority of the voters at an election. Bonds to be issued having a value in excess of 10 percent of full property valuation must secure a favorable vote of at least 60 percent of the persons voting and also the approval of the Board of Regents. These are statutory requirements.

Bonds for school indebtedness in city school districts with less than 125,000 population may be issued up to a value not to exceed 5 percent of State-equalized full property valuation by a majority vote. Bonds to be issued having a value in excess of 5 percent of full valuation must secure a favorable vote of 60 percent of the persons voting and approval of the Board of Regents and the State Comptroller is required. These are constitutional requirements.

Bonds for school indebtedness in city school districts with more than 125,000 population may be issued up to a value of 9 percent of the State-equalized property valuation, except for New York City which is limited to a bonded debt of 10 percent of the State-equalized property valuation for the city. No approval of the voters is required. These limits are constitutional.

Voting requirements: Persons in a school district who are qualified to vote at school meetings are qualified to vote on bond issues. Elections on bond issues are held at special school, special nonschool, regular school, or general elections.

In city school districts of less than 125,000 inhabitants, bonds having a maturity period of 5 years or less may be issued on the authority of the board of education without a vote of the electors.

Approval and sale of bonds: School bonds must be issued by the local board of education. In some city school districts, the municipal government has issued bonds for school indebtedness. State approval of bond issues must be obtained but after the bond election and not before. Bonds are sold at a public sale and at a fixed rate of interest. The bonds need not be offered to a State agency and no formal provisions exist for State assistance in the sale of the bonds. Procedures for the sale of the bonds are established in the local finance law. Funds from the sale of bonds which are not immediately needed may be invested.

Bond records, tax levies, and payments: The local board of education is responsible for maintenance of bond records. Tax levies to retire the bonds must be voted at an annual or special school election prior to the issuance

Provisions for School Indebtedness--continued

of the bonds. In all city school districts, the tax required to pay debt service is excluded from the tax limit for current expenditures established for these districts.

Short-term indebtedness: School boards are permitted to borrow funds by issuing tax or revenue anticipation notes. The amount that may be borrowed is limited to the amount of taxes remaining uncollected and the amount of other revenue yet to be received. Under certain conditions, budget notes may be issued during the last 9 months of the fiscal year or within limitations established by law, to be repaid during the succeeding year. Capital notes may be issued for any purpose for which bonds may be issued but only after authorization by the voters, and they must be repaid by the end of the second fiscal year following the one during which they are used.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Districts submit to the State Education Department budgets for the ensuing year on forms supplied by the Department. The State fiscal year begins April 1 and ends March 31. The school fiscal year of the State begins July 1 and ends June 30. The fiscal year in a number of cities begins on different dates.

Local approval: In districts other than city school districts, budgets must be voted at the annual or special school district meeting. Copies of the budget must be available in all school buildings seven days before the annual meeting and their availability must be announced in published notices of the meeting. In city school districts of less than 125,000 inhabitants, a budget hearing is required but no approval by the voters is obtained. The board of education adopts the budget after the hearing. In the six fiscally dependent cities, the school budget is included in the municipal budget. Annual meeting dates, at which time budgets, except those in city school districts are voted on, are the first Tuesday in May or the second Tuesday in June or July. Special meetings may be held at any time. In city school districts of less than 125,000 population, the board of education must adopt the budget not later than the beginning of the fiscal year.

State review or approval: Except for city districts, there is no statutory requirement that school budgets be filed with any State agency. The State Education Department does, however, request and receive such budgets.

Provisions for School Audit

A continuing audit of the records of each district for completed school years is made approximately every 2 years by the State Department of Audit and Control. The cost of these audits is paid by the State. It is a statutory requirement that each major school district obtain an annual audit of its records by an independent certified public accountant or an independent public accountant. A copy is to be furnished to the Education Department.

NORTH CAROLINA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

NORTH CAROLINA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. A. C. Davis, Controller, North Carolina State Board of Education, served as the State authority for preparati [illegible] review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 76 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.
2. All State funds for the public schools are from legislative appropriation.
3. Of the State money provided for school district support, 90.5 percent is distributed through the Nine Months' School Fund. This fund provides the total amount required to pay professional staff salaries for State-allotted positions as specified in the State salary schedule and to pay the cost of pupil transportation and other current expenses.
4. State salary allowances for teachers range from $6,354 to $8,796 for the bachelor's degree and from $6,965 to $9,610 for the master's degree.
5. Two other State funds account for another 6.7 percent of the total amount for the State support program. Largest among these funds is the Vocational Education Fund. The other fund is for free textbooks.
6. The balance, 2.8 percent of the State support program, is distributed through 5 additional funds and provides for instruction and training of trainable mentally handicapped children, professional improvement of teachers, education by television, and driver training, and for purchase of school buses.
7. State loans for capital outlay may be provided from the State Literary Fund on proper applications that are approved by the State Board of Education.

LOCAL SUPPORT

1. The basic tax levied specifically for the support of the local schools is the property tax. Approximately 83 percent of the local revenue for the public elementary and secondary schools is from this source.
2. Sources of local revenue other than property taxes including fines, forfeitures, penalties, and poll and dog taxes are designated for public school support by both constitutional and legislative provisions. Also, revenue is provided from sales tax, interest earnings, donations, and intangible beer, wine, and ABC funds but these sources provide money for other governmental services, including education, and may be appropriated for school or other local governmental purposes.
3. There is no specified tax rate which the 100 county or city school districts must levy for participation in the Nine Months' School Fund. The State pays the total cost of a minimum program except for maintenance of plant. However, with approval and levy by the county commissioners, all school districts may supplement the amount provided by the State.
4. No maximum tax rate is specified for school purposes. All rates, including a maximum 6-mill local levy for current operating expenses above the local taxes required for the constitutional term, must be levied by the county commissioners to be effective, even though they might have voter approval in a local district.
5. School district indebtedness is limited to 5 or 8 percent of the assessed valuation of taxable property, depending on the kind of district.
6. Debt service levies are not limited and are required to be adequate to meet debt service obligations.

STATE SUPPORT, 1971-72 NORTH CAROLINA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total	$497,651,018	(100.0%)		
NINE-MONTHS' SCHOOL FUND (Current expense, grades 1-12) (Ch. 115 of the General Statutes and State Board of Education Policy)	$450,553,648	(90.5%)		
Salaries........................	Scheduled amount per allotted position filled:		State share: 100 percent of calculated amount for State-allotted positions. Local share: State pays total calculated amount. Expenditures in excess of State program are permitted but are local obligation.	Requirements for participation: Schools must be operated for a term of 9 months. Districts must observe all rules and regulations relating to the operation of schools as established by the State Board of Education. Extent of participation: County districts, 100; special districts, 52. Distributed: Monthly.

	Type of Certificate	Monthly Salary Starting	Monthly Salary Maximum	Years to Reach Maximum
Teachers generally (9 months, 5 days)	Graduate	753	1,039	13
	Class A	687	951	12
	Class B	577	709	6
	Class C	467	577	5
Vocational education teachers (9 1/4, 10, 11, and 12 months)...........	Graduate	775	1,061	13
	Class A	709	973	12
	Provisional Vocational	687	951	12
	Provisional Class B	621	753	6
Supervisors (10 months)......	Graduate	912	1,116	9
	Class A	867	1,026	7

Building principals (9 months, 5 days)	Teachers' salary schedule plus $38, $50, $62, or $74 per month for 3, 4, 5, or 6 or more teachers, respectively.
Principals (10 1/4, 10 3/4, 11 1/4 months, depending on type and size of school).....	$1,013 to $1,117 per month with 7 to 10 teachers to as high as $1,352 to $1,456 per month with 80 or more teachers. Amounts supplemented for additional training.
Superintendent (12 calendar months)......................	$1,235 to $1,339 per month for ADM of 1,499 or less, and $1,784 to $1,887 per month for ADM of 34,500 and up. Also, add $30 per month for advanced superintendent's certificate.
Associate superintendent (12 calendar months).........	$1,195 to $1,300 per month. Add $30 per month for advanced certificate.
Assistant superintendent (12 calendar months).........	$1,169 to $1,274 per month. Add $30 per month for advanced certificate.
Supplement for appropriate doctorate.....................	$120 per month.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
NINE-MONTHS' SCHOOL FUND--continued			
Base allotment position........	Teaching positions are allotted to administrative units on the basis of ADA for the best continuous 6 months of the first 7 months, together with average daily absence due to contagious diseases for the same continuous 6 months, together with other pertinent attendance data. Positions are calculated in the four steps shown below for each LEA, but are allotted in one total for flexibility in assignment.		
Elementary grades, 1-3.........	6 teachers for first 153 pupils, plus 1 teacher for each additional 27 pupils in ADA.		
Elementary grades, 4-8.........	6 teachers for first 171 pupils, plus 1 teacher for each additional 30 pupils in ADA.		
Secondary grades, 9-12.........	4 teachers for first 80 pupils for the first high school, 3 teachers for first 60 pupils for each additional high school, and 1 teacher for each additional 30 pupils in ADA.		
Additional allotment to administrative units................	1 position per each 15 base-allotted positions.		
Exceptional children...........	Teachers allocated to the various LEA's on an equal basis using a formula based on projected attendance in each LEA and the number of teachers appropriated by the General Assembly for this purpose.		
Pupil transportation...........	Cost of pupil transportation on the basis of State standards.		
Child health services..........	$750 per county and 39 cents per pupil in ADA.		
Instructional materials........	$5.25 per pupil in ADM.		
Clerical assistance............	$2.10 per pupil in ADM.		
Superintendent's travel, clerical assistance, and office expense........................	$240 to $792 per year for travel and $3,657 to $26,305 for clerical assistance, and $400 to $1,300 for office expense, depending on ADM and type of district.		
Plant operation................	The amount allotted is an average of $469.22 per regular allotted teaching		

STATE SUPPORT, 1971-72

NORTH CAROLINA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
NINE-MONTHS' SCHOOL FUND--continued			
	position. Funds for fuel, which are included, vary according to geographical area.		
County Board of Education expenses and per diem............	$100 per county.		
Public school services for pupils enrolled in nonprofit private schools................	Pupils enrolled in private schools may not be concurrently enrolled in a public school (so-called shared-time or dual-enrollment) and so are not counted in the amount of State aid for which a district may qualify.		
VOCATIONAL EDUCATION FUND (Art. 27 of Ch. 115 of the General Statutes and State Board of Education Policy)	$ 25,510,100 (5.1%)		
	Amount of supervisors' and teachers' salaries for vocational education plus allowable expenses for travel and for teaching materials and equipment for Vocational Education programs.	State share: From 47-100 percent of approved amount is paid from this fund which includes an estimated $7,373,350 provided by the Federal Government. Local share: All costs not covered by reimbursement.	Requirements for participation: Must maintain high school vocational departments which meet standards prescribed in the State plan for vocational education. Extent of participation: 152 school districts. Distributed: Quarterly as reimbursement.
FREE TEXTBOOK FUND (Art. 25A of Ch. 115 of the General Statutes and State Board of Education Policy)	$ 7,677,546 (1.6%)		
Elementary school............. High school....................	Basal books as needed. $8.00 per pupil in ADM.	State share: 100 percent of calculated amount. State purchases and arranges distribution of books ordered by districts. Local share: None required.	Requirements for participation: Use textbooks included on State-adopted list, submit necessary requisitions, and file necessary reports. Extent of participation: 152 school districts. Distributed: In purchased books as orders are received, approved, and filled.
DRIVER TRAINING FUND (Sec. 20-88.1 of the General Statutes and State Board of Education Policy)	$ 6,527,204 (1.3%)		
	Distribution based on local plans for training and State-approved budget.	State share: 100 percent of calculated amount.	Requirements for participation: School districts submit local plans for driver training program with estimated cost. Plans are reviewed and approved at State level.

STATE SUPPORT, 1971-72

NORTH CAROLINA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
DRIVER TRAINING FUND--continued	Local share: Cost may be supplemented locally.	Extent of participation: 152 school districts. Distributed: In purchased books as orders are received, approved, and filled.
SCHOOL BUS FUND (Art. 22 of Ch. 115 of the General Statutes and State Board of Education Policy) $ 4,767,545 (1.0%)		
Cost of replacing buses.	State share: 100 percent of cost. Local share: None of replacement cost.	Requirements for participation: County school units must pay for original bus for each approved bus route. Extent of participation: 152 school districts. Distributed: As new buses are delivered to replace old buses.
INSTRUCTION AND TRAINING FOR TRAINABLE MENTALLY HANDICAPPED CHILDREN FUND (Art. 36 of Ch. 115 of the General Statutes and State Board of Education Policy) $ 2,143,530 (0.4%)		
Standard per pupil allowance of $765 per year.	State share: 100 percent of calculated amount. Local share: All additional costs not covered by this distribution.	Requirements for participation: Provide an authorized training center. Extent of participation: 96 school districts. Distributed: Monthly.
PROFESSIONAL IMPROVEMENT OF TEACHERS' FUND (State Board of Education Policy) $ 320,053 (0.1%)		
For college credit courses maximum reimbursement is the established tuition and fees up to a maximum for one semester hour of $550; 2 hours, $1,100; and 3 hours, $1,650. For noncollege credit programs with 21 or more teachers, payment for one unit is $420; 2 units, $840 plus travel and subsistence of approved instructors. $20 per teacher per unit is paid in programs with less than 21 teachers. In-service Scholarships: 1 - For planned graduate study - allotted to school districts which nominate recipients who receive $30.00 per semester hour up to $360.00 per summer for maximum of three summers. 2 - For qualifying for proper certification - school districts nominates	State share: 100 percent of calculated amount. Local share: All other program costs.	Requirements for participation: Submit a plan for local improvement of teachers and obtain State Board of Education approval. Extent of participation: 152 school districts. Distributed: As courses are completed.

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
PROFESSIONAL IMPROVEMENT OF TEACHERS' FUND--continued recipients who take course work tuition free up to $20.00 per semester hour subject to district allocation.		
PROGRAM OF EDUCATION BY TELEVISION FUND (State Board of Education Policy) $ 151,392 (0.0%) Cost of program.	State share: 100 percent of cost. Local share: None, except to purchase and maintain TV sets.	Requirements for participation: None. Extent of participation: 90 school districts.

NORTH CAROLINA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations are established by county assessors appointed by a tax supervisor who serves by appointment of the county commissioners except that the State Board of Assessment establishes valuations for certain properties of public utilities. Local property assessments are subject to review or change by the State Tax Board upon appeal from local assessment.

Intermediate districts: None.

Local districts: In North Carolina, there are 100 county school districts and 52 city school districts. All of these are local school administrative units. The county commissioners are required to levy taxes for the constitutional school term. There is no limit placed on this levy and it does not require electoral approval. An additional 6-mill levy for current operating expense can be voted by the people but is not effective until it is levied by the county commissioners or city council. Debt service levies are mandatory and are approved to care for the debt service requirements of bonds which have been legally issued by the county. Local nonproperty tax sources of revenue for public school purposes include fines, forfeitures, penalties, and poll and dog taxes. Receipts from interest earnings, donations, and intangible beer, wine, and ABC funds, also provide money for the schools to the extent that such receipts may be appropriated for this purpose by the counties.

Provisions for School Indebtedness

Initiating bond issues: School bond issues are usually initiated by the boards of education.

Limitations on issuance of bonds: School bonds are generally serial bonds rather than sinking fund bonds. The maximum number of years for which bonds may be issued ranges from 20 years for non-fire-resistant construction to 40 years for buildings constructed of masonry and steel.

Limitations on debt: School bonds may be issued for capital outlay purposes by any county school district following approval of the issue by popular election. Bonds may be issued up to 5 percent of the local assessed valuation. In counties which have assumed the debt of cities and school districts, the limitation is 8 percent of the taxable valuation. No agency may approve greater amounts. The Constitution provides that bonds may be issued without a vote of the people to the extent of two-thirds of the amount by which the debt was reduced the preceding year.

Voting requirements: Bonds which require a vote must be approved in a special election by a majority of the qualified electors who vote in the election.

Approval and sale of bonds: All proposals for county or city school district bond issues must be approved by the Local Government Commission of the State prior to the sale of bonds. Bonds are commonly sold on a yield basis. They are not offered first to any State agency before being offered to the public. The Local Government Commission, a State agency, assists with the sale of bonds. Funds from the sale of bonds not immediately needed may be invested.

Bond records, tax levies, and payments: School officials usually keep all school bond records and determine the annual amount of funds required. The county auditor who is responsible for debt service levies also keeps a record. County commissioners are required to make the necessary tax levies to obtain funds for debt service unless smaller amounts are adequate because of refunding permitted by the Local Government Commission.

Short-term indebtedness: County commissioners are responsible for borrowing funds when revenues are not available to meet current operating expenses. Such loans are limited to the amounts in the approved budgets. Repayment is mandatory within the current fiscal year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: All budgets are prepared on forms prescribed by the State. The fiscal year begins July 1 and ends June 30.

Local approval: Budgets are prepared by the respective county and city superintendents upon the advice and instruction of the local boards of education. There is no requirement for posting or publishing a budget and budgets must be adopted by July 10. After approval by the boards of education, the budgets are presented to the county commissioners who have the authority to approve or change them. The levies required to support the budgets are generally made by the county commissioners, but they may be made by the city council.

State review or approval: Approved budgets of county and city school districts are filed with the State Board of Education as a matter of information only. There is no State review or approval.

Provisions for School Audits

School audits covering the expenditure of county and local school funds are required to be made annually by an independent auditing agency. The cost of these audits is borne by the local school systems involved. A copy of the audit is required to be filed with the State Board of Education, the State Superintendent of Public Instruction, and the Local Government Commission.

NORTH DAKOTA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

NORTH DAKOTA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. H.J. Snortland, Assistant Superintendent, Finance, North Dakota State Department of Public Instruction, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 30.6 percent of the non-Federal revenue for public elementary and secondary schools, including only State, county, and local revenue receipts, is provided from State grant distributions.
2. Nearly 13 percent of the State money distributed for public school support is from the State permanent school fund. The balance is appropriated from the State general fund.
3. About 85 percent of the State money distributed to school districts is for a foundation program of 43 percent of $580 per pupil for current expense and an allowance of sixteen cents per bus mile, round trip, for pupil transportation.
4. Slightly more than 10 percent of the State grant distribution money for elementary and secondary schools is allocated in proportion to the number of children 6 to 21 years of age in each school district. This money for current expense purposes is in addition to the foundation program amount.
5. The remainder of State grants for schools is distributed through three separate funds for financial emergencies, special education, and vocational education.

LOCAL SUPPORT

1. Property taxes for school support are levied by both the counties and the local school districts. Also, districts may levy a $1 per adult per capita tax. County oil and gas taxes provide additional revenue for schools.
2. Local school districts provide approximately 65 percent of the county and local district school revenue; counties provide 35 percent.
3. Each county is required to establish a county equalization fund and levy a 21-mill tax in order to participate in the apportionment of the State Foundation Program Fund. No vote is required for the legislature-authorized county tax levies for schools. Upon vote by the people, a district may also levy 3 mills for a special reserve fund.
4. Local taxes for the general fund are limited to a normal maximum of 19 to 34 mills, without voter approval, depending on the kind of school district. With voter approval, these limits are increased 75 percent.
5. Local district-bonded indebtedness for schools is limited to 10 percent of the district's assessed valuation.

STATE SUPPORT, 1971-72

NORTH DAKOTA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total	$31,994,525 (100.0%)		
FOUNDATION PROGRAM FUND (Title 15, Ch. 40.1, Sec. 07, 08, N.D.C.C.)	$27,092,500 (84.7%)		
Current expense, grades 1-12...	43 percent of 580 per weighted pupil in average daily membership (ADM).	State share: Calculated amount minus receipts from the required county tax. Local share: 21.0-mill county tax on the assessed valuation. Receipts from Public Law 874 are not reflected in determining the amount of State support.	Requirements for participation: Provide needed information and reports; comply with laws and regulations; levy a 21-mill tax of which 20.5 mills is counted for State-defined program. Extent of participation: 356 operating school districts. Distributed: On September 25, December 15, February 15, March 31, April 15, and May 15.
One-room schools............	1.25 weighted pupils for each of the first 16 students in ADM with no allowance for pupils in excess of 20.		
Other small elementary schools of less than 100 ADM....................	1.00 weighted pupils for each of the first 20 pupils with 1.0 weighted pupils for each additional student in ADM. No allowance for pupils in excess of 35 per teacher.		
Other elementary schools.....	.9 weighted pupils per student in ADM. No allowance for pupils in excess of 30 per teacher.		
High schools.................	1.32 weighted pupils per student in ADM.		
Pupil transportation.........	$.16 per bus mile round trip.		
Services for pupils enrolled in nonprofit private schools.	District receives fractional payments for nonpublic pupils.		
TUITION FUND (Title 15, Ch. 44, Sec. 01-3, N.D.C.C.)	$ 3,287,000 (10.3%)		
Nonrestricted school use.......	Amount per child, 6-21 years of age, inclusive.	State share: 100 percent of calculated amount distributed is income of State permanent school fund, fines, and penalties. Local share: None.	Requirements for participation: Take a school census of all children 20 years of age and under, in odd-numbered years. Extent of participation: 411 school districts. Distributed: Quarterly.
SPECIAL EDUCATION FUND (Title 15, Ch. 59, Sec. 05-11, N.D.C.C.)	$ 700,575 (2.2%)		
Special education.............	Cost of providing service not to exceed one and one-half State average per pupil cost per participant child for instruction and two times State average cost per pupil for transportation, equipment, and residential care. Allowance varies for different kinds of exceptionality.	State share: 100 percent of calculated amount as funds allow. Local share: All costs not covered by reimbursement.	Requirements for participation: Educable children under 20 years of age must be in need of services and facilities not provided in the usual school facilities. Districts must apply for participation. Extent of participation: 223 school districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SPECIAL EDUCATION FUND--continued		Distributed: At the end of the school year.
VOCATIONAL EDUCATION FUND $ 914,450 (2.9%) (Title 15, Ch. 20.1, Sec. 06, N.D.C.C.) Vocational education........... Cost of approved program and application.	State share: Percent of cost as funds allow. Federal funds are provided in addition to the amount of State aid listed. Local share: All costs not covered by reimbursement.	Requirements for participation: High school must offer approved vocational education courses and meet program requirements. Extent of participation: 125 school districts. Distributed: At the end of the school year.
LOAN FUND SCHOOL CONSTRUCTION FUND $ 7,935,000 (Title 15, Ch. 60, N.D.C.C.) School construction............ Amount of loan request.	State share: 100 percent approved amount up to $400,000 maximum per district. Loans outstanding total $6,308,711.72 as of July 1, 1971. Local share: District must repay loan from the 10-mill building fund levy and pay interest at 2.5 percent.	Requirements for participation: District must have bonds outstanding in an amount equal to at least 10 percent of the assessed valuation, have a 10-mill building fund levy, and need the requested classrooms. Requested loans may not be used for auditoriums or gymnasiums except where entire school plant is destroyed or such space is considered part of the total plant. Extent of participation: 72 school districts. Distributed: When loan is approved and loan requirements have been satisfied.

NORTH DAKOTA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations are established by local assessors who are appointed in the larger towns and cities and elected in other areas. County commissioners, acting as a county board of equalization to equalize assessments between organized townships and guided by the State Tax Commissioner, may change assessments. The State Board of Equalization has authority to equalize assessments between counties.

Counties: A county 21-mill property tax levy for schools is required to be levied in all counties. In addition, a per capita tax of $1.00 on each adult is levied for school purposes. In effect, these revenues constitute a county equalization fund. No vote is necessary for these levies since they are required by statute.

Local districts: The maximum local tax rate which may be levied without electoral approval is 34 mills for a 4-year high school district, 24 mills for a 3-year high school district, 21 mills for a 2-year high school district, 22 mills for an elementary district with two or more teachers, and 19 mills for a one-room school district. All of these levies may be increased as much as 75 percent when approved by district voters. Also, each school board may create and levy up to 3 mills for a "special reserve fund." Whenever the school board has insufficient money to meet teachers' salaries, fuel, light, and heat bills, it may borrow from the special reserve fund but must repay the fund as soon as the general fund tax levy is received. Tax levy limitations apply to local assessments as equalized.

Provisions for School Indebtedness

Initiating bond issues: School districts have complete responsibility for initiating bond issues.

Limitations on issuance of bonds: Serial bonds are required and they may be issued for a maximum of 20 years.

Limitations on debt: Statutes provide a legal debt limit of 5 percent of the assessed valuation, except where the voters elect to increase the limitation of their indebtedness to 10 percent. A majority vote is required to increase the limit. No State executive agency has the authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements: Generally, a favorable vote of two-thirds of the qualified electors participating in a special bond election is necessary before bonds can be issued. However, if a school district has a population of more than 5,000 or a building has been destroyed by fire, wind, explosion, or other cause, a 60-percent majority is adequate.

Approval and sale of bonds: Bonds, usually sold on a fixed interest basis, must be first offered to a State agency. The State does not, however, assist with the sale of bonds. There is a statute allowing the investment of funds from the sale of bonds that are not immediately needed.

Bond records, tax levies, and payments: Tax levies for debt service must be authorized over and above those for the current school program. The county treasurer may be custodian of the sinking and interest fund, maintains the bond records, and is responsible for the payment of the bonds or the local district treasurer performs these functions.

Short-term indebtedness: School districts may borrow from their "special reserve fund" and they may also sell certificates of indebtedness against their current general fund tax and 50 percent of the past 4 years' unencumbered, uncollected taxes. School boards are permitted to issue registered warrants.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: The State prescribes and furnishes budget forms for all the districts. The school fiscal year, which begins July 1 and ends June 30, is the same as the State fiscal year.

Local approval: The annual school budget is prepared by local school officials and completed at the annual meeting in July. Every school district that has within its boundaries an incorporated village or city must submit its budget and bond proposal to the Board of Budget Review. This board has the responsibility and authority to review, examine, approve, disapprove, or modify the budget. This budget is required to be submitted to the county superintendent who certifies it to the county auditor by the last day of July for the levying of taxes. The county auditor must make the levy certified as permitted by law. There is no requirement to publish or post school budgets.

State review or approval: Budgets for all districts which expect to participate in the Emergency Fund are required to be submitted to the State Department of Public Instruction for review and approval to show anticipated budget deficits. There is no prescribed date for filing the budgets with the State.

Provisions for School Audits

Annual audits are required for all school districts with a population of 500 or more. Small districts are required to have an audit once every three years. State law requires the State examiner to make examinations of these school districts but independent auditing agencies may be used.

OHIO

PUBLIC SCHOOL FINANCE PROGRAM, 1972-73

OHIO PUBLIC SCHOOL FINANCE PROGRAM, 1972-73 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Herbert D. Brum, Director, Division of School Finance, Ohio State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 36 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and county and local receipts, is provided by the State.

2. Over 98 percent of the State money for public elementary and secondary schools is distributed through the provisions of the Foundation Program Fund. Foundation payments provide a per pupil support allocation, salaries of specialized personnel, pupil transportation, and other current expenses.

3. Various calculation factors are tied to a State minimum salary schedule which ranges from $5,536.00 for teachers with less than a bachelor's degree and no experience to $10,387.20 for teachers with a master's degree and 11 years' experience.

LOCAL SUPPORT

1. Approximately 91 percent of the locally derived school revenue is from property taxes. The other 9 percent includes receipts from interest on bank deposits, school lunches, and other miscellaneous items. There are no authorized nonproperty taxes for school support.

2. Local school districts are required to levy a tax on locally assessed valuation of real and personal property for participation in the State Foundation Program. The amount of this levy is 17.5 mills until June 30, 1973. Beginning June 30, 1973, districts must have the authority to levy in calendar year 1974 and have in effect for each year thereafter a levy of 20.0 mills.

3. Taxes on local district property in excess of 10 mills require electoral approval.

4. School bonds may generally be issued up to 9 percent of the assessed valuation of the district.

5. Taxes for debt service are separately levied and are outside of limitations otherwise specified for current operating revenue.

STATE SUPPORT, 1972-73 OHIO

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total $786,929,185 (100.0%)		
FOUNDATION PROGRAM FUND (Basic Allowance. Minimum State Funding for all Eligible Districts) (Secs. 3317.01-3317.15, 3317.02, 3317.04, 3317.05, 3317.051, 3317.06, Ohio Revised Code) $642,003,159 (81.6%)		
I. Formula Calculation....... 1. A. $300 times the average daily membership in kindergarten. B. $600 times the average daily membership in Grades 1-12 (ADM figures excludes vocational full-time equivalency and includes 25 percent of district pupils attending a joint vocational school). C. Salary Allowance (based on State minimum) + 15% + $600 for approved special education personnel working in child study, occupational and physical therapy, speech and hearing supervision or coordination. D. Extended Service: Salary allowance (based on State minimum) for certificated personnel that work beyond regular school year. Amounts paid are limited to appropriations for each year. E. Adjustments: 1. A minus factor for districts having less than 35 teachers for each 1,000 pupils in ADM. This deduction is at the rate of $600 times the figure derived by dividing the number of teachers employed by .035. 2. A plus or minus factor for the training and experience of classroom teachers. The district's mean annual salary (based on the State minimum salary schedule) is compared to the State mean annual salary. The difference (plus or minus) is then multiplied by the number of allowable teachers.	State share: (I) Calculated amount minus the local share of 22.5 mills times district tax duplicate plus the amount calculated for special needs and transportation. If a district levies less than 22.5 mills, the calculated yield of 22.5 is subtracted from the State share. Various other guarantees are paid to districts that would be adversely affected by changes in the Foundation Program Law, reassessment of property, or district reorganization. Local share: (I) Calculated yield of a 22.5-mill tax on the locally assessed valuation. An actual 22.5 levy is not required. Receipts from Public Law 874 are not included in this calculated share.	Requirements for participation: 1. Local levy of at least 17.5 mills until June 30, 1973. Authority to levy at least 20 mills on June 30, 1973, and have such levy in effect each year starting January 1, 1974. 2. A minimum number of days is required for the preceding school year, trimester, quarter, or pentamester. 3. District salary schedule must meet or exceed the State minimum salary schedule. Extent of participation: 619 school districts. Distributed: Monthly.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
FOUNDATION PROGRAM FUND--continued		
3. A minus factor is calculated for districts that do not employ educational service personnel equal to 5 percent of the classroom teachers employed. This deduction is at the rate of $32 times the ADM which exceeds the figure derived by dividing the number of service personnel by .175.		
II. Minimum Guarantee......... II. Calculated by multiplying the district ADM (minus 1/2 kindergarten) times a per pupil allocation established for each $1,000 level of per pupil valuation. The per pupil amount ranges from $179 at $20,000 valuation to $75 at $32,000 valuation and decreases $8 for each $1,000 in valuation.	State share: (II) The calculated amount is paid entirely from State funds. The amount calculated for special needs and transportation is added to the amount. Various other guarantees may be paid to districts in this category. Local share: (II) None.	
III. Special Needs............. III. A. Vocational and Special Education Units 1. Teacher salary (based on State minimum). 2. 15 percent of salary allowance for retirement and sick leave. 3. $4,000 per unit for other expenses. B. Municipal Overburden 1. $25 times the ADM in districts having an enrollment of at least 70,000 pupils and in which the number of ADC recipients, ages 5-17, is equal to or greater than 20 percent. 2. $20 times the ADM in districts having 20,000 pupils and in districts contiguous to such districts, with at least 50 percent of the pupils classified as educationally disadvantaged.	State share: (III) The calculated amount is paid entirely from State funds. This amount is added to (I) the formula calculation or (II) the minimum guarantee. Local share: (III) None.	

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
PUPIL TRANSPORTATION SUBSIDY (Section 3317.051, Ohio Revised Code) $ 43,463,434 (5.5%)		
A. $16 per year per pupil transported on Board-owned vehicles. B. $18 per year per pupil transported on contractor-owned vehicles. C. $38 per pupil per year transported on public transit. D. $22-28 per year per average daily mile for Board-owned vehicles depending on road condition. E. $29-37 per year per average daily mile for contractor vehicles, depending on road condition. Eligible non-public pupils are transported by public school districts under the same reimbursement formula.	State share: Total approved cost as established by formula calculation. Amounts so calculated are added to the basic foundation program calculation and payments are made to all districts eligible to receive foundation payments. Local share: Any excess beyond the approved amounts established by formula.	Requirements for participation: Districts which qualify for basic allowance also qualify for transportation payments. Extent of participation: 619 school districts. Distributed: Monthly, with other foundation funds.
BUS PURCHASE SUBSIDY (Sections 3317.07, 3327.01, Ohio Revised Code) $ 6,304,392 (.8%)		
A percentage allowance is established for each district eligible to receive Foundation Funds. The amount of the subsidy is limited to a percentage of the State ceiling price for various capacity buses. Ceiling price for each year is based on the average cost of the previous year.	State share: A. Based upon financial need as measured by the tax valuation per pupil in ADM, varies from 27 percent to 83 percent. B. Districts receiving buses to provide transportation for non-public pupils are reimbursed 100 percent of the State ceiling price. Local share: Balance of cost.	Requirements for participation: Districts which qualify for basic allowance funds are eligible for bus purchase funds. All requests must be approved by State Controlling Board. Extent of participation: 619 districts. Distributed: When delivery is completed.
GUIDANCE, TESTING, AND COUNSELING (Section 3317.06, Ohio Revised Code) $ 300,000 (0%)		
No separate calculation. Districts make individual applications for such funds based upon standards adopted by the State Board of Education.	State share: Used in conjunction with N.D.E.A. funds. Limited to appropriated amount. Approximately 50 percent of approved testing program is funded. Local share: Balance of program costs.	Requirements for participation: Program approval by State Board of Education and eligible to receive basic allowance payments. Extent of participation: 615 school districts. Distributed: Annually.

STATE SUPPORT, 1972-73

OHIO

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL LUNCH (Sections 3313.81, 3317.06, Ohio Revised Code) $ 1,000,000 (.1%)		
Amounts that districts receive are based upon formulas established by the Federal Government. State funds distributed to districts are to be used to provide matching funds to obtain Federal funds.	State share: Entire cost of matching fund requirement. Local share: Balance of cost in excess of Federal and State distributions.	Requirements for participation: 1. Eligibility for basic allowance funds. 2. Abide by Federal program regulations and school lunch requirements. 3. Written policy statement on file with State Department of Education. Extent of participation: 618 school districts and 46 special schools. Distributed: Annually.
VOCATIONAL EDUCATION (Sections 3317.02, 3317.16, Ohio Revised Code) $ 19,315,560 (2.5%)		
Sum of the following: 1. Total salary allowance for teachers in joint vocational districts for units approved by State Board of Education. Such allowance is computed in the manner prescribed in Section 3317.02 O.R.C. 2. Fifteen percent of such salary allowance plus an amount for adult technical education and specialized consultants. 3. Four thousand dollars times the number of approved vocational units.	State share: Calculated amount and matching funds requirement. Local share: Balance of joint vocational school costs are paid from tax levies on the real and personal property in the participating districts.	Requirements for participation: 1. Joint vocational school units approved annually by State Board of Education. 2. Adult classes must be approved by the Division of Vocational Education. Extent of participation: 20 Joint Vocational Schools and 624 public school districts.
DISADVANTAGED PUPILS (Section 3317.06, Ohio Revised Code) $ 33,337,400 (4.2%)		
Per pupil amount times the number of ADC recipients between 5 and 17 years of age, inclusive, in eligible districts. Cannot exceed $200 per pupil.	State share: Cost of approved program. Local share: Any additions beyond approved program.	Requirements for participation: 1. 50 residents between 5 and 17 years of age, inclusive, receiving Aid to Dependent Children or such residents equal to 5 percent of the district ADM. 2. Program approval by State Department of Education. Extent of participation: 259 school districts. Distributed: On requested allocation schedule.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ADULT BASIC LITERACY (SECTION 3317.06, Ohio Revised Code) $ 465,000 (.1%) Per pupil amount times the number of eligible pupils enrolled in each district. Eligible pupils are those over 16 years of age with less than an 8th-grade education or who have difficulty in use of the English language. Per pupil amount is determined by dividing the number of eligible pupils into appropriated amount.	State share: Limited to the amount calculated and total appropriation. State portion meets matching fund requirement of 10 percent to receive Federal funds. Local share: Program costs beyond the per pupil amounts from State and Federal funds.	Requirements for participation: 1. Sufficient number of eligible adults to constitute a class. 2. Application and approval by State Department of Education. Extent of participation: 97 school districts.
EDUCATIONAL TELEVISION (Legislative Appropriation, H.B. 475) $ 2,000,000 (.3%) State Board of Education enters into contracts with nonprofit corporations to provide services to boards of education.	State share: Limited to annual appropriations or the cost of such contracts. Local share: Per pupil cost beyond State contracts.	Requirements for participation: Districts do not participate directly in these funds. Extent of participation: No district participation - benefits to approximately 500 districts. Distributed: On contractual basis.
NON-PUBLIC AUXILIARY SERVICES* (Sections 3317.02, 3317,062, Ohio Revised Code) $ 30,500,000 (3.9%) Per pupil amount calculated by dividing the annual appropriation by the number of Ohio resident pupils (grades 1-12) enrolled in non-public schools. $90 per pupil is used for parental grant payments with the remainder used to provide services and materials.	State share: Entire cost of program. Local share: Districts are prohibited from spending local funds.	Requirements for participation: 1. Non-public school located within public school district. 2. Non-public school cannot discriminate in the admission of pupils or the employment of teachers. 3. Non-public school meets requirements of Civil Rights Act of 1964, 78 Stat. 252,42 U.S.C.A. 200d. 4. Parent applying for grant payment must be resident of Ohio and must have spent an amount equal to or in excess of the per child grant for educational opportunities.

*The parental grant payment portion of this fund (in excess of $26 million of the $30.5 million) was ruled an unconstitutional distribution (Wolman vs. Essex, April 17, 1972).

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
NON-PUBLIC AUXILIARY SERVICES--continued		5. Services and materials cannot be used for religious courses or devotional exercises and cannot exceed in cost or quality the services and materials provided for public school pupils. Extent of participation: 789 non-public schools. Distributed: 3 times per year.
DRIVER EDUCATION (Sections 3301.17, 3317.06, Ohio Revised Code) $ 7,730,240 (1.0%) $30 times the number of pupils completing an approved program. Total amount cannot exceed actual district costs.	State share: Limited to $30 per pupil during fiscal 1971-72. Will increase to $50 per pupil during 1972-73. Local share: Difference between State subsidy and actual cost.	Requirements for participation: Offer an approved course in Driver Education to all students 16 years of age and older. Extent of participation: 619 school districts. Distributed: 3 times per year.
TEACHER TRAINING INSTITUTES (Legislative Appropriation, H.B. 475) $ 510,000 (.1%) Contracts are negotiated with State University colleges of education to provide training in various curriculum areas.	State share: Limited to contracted amounts and appropriation. Local share: None.	Requirements for participation: Districts do not participate directly in these funds. Extent of participation: No direct participation. Distributed: On contractual basis.

OHIO

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1972-73

Provisions for Raising School Revenue

Property assessments: Property assessments for taxation purposes are established by the county auditor who is an elected official. Other county officials have authority to change these assessments. The State Board of Tax Appeals has authority to supervise, review, and to order changes for the purpose of equalizing assessments on a statewide basis.

Assessment ratio studies to determine variations in the level of assessment among the State's taxing districts are conducted by the State Board of Tax Appeals, which issues equalization orders of those taxing districts with a level of assessment differing from the prescribed standard. Ohio has a statutory requirement that an increase in a taxing district's assessment level resulting from an equalization order must be compensated by a proportional cut in the tax rate. However, this applies only to tax levies voted in excess of the State's 10-mill limitation.

Intermediate districts: No provision is made for any county tax levies for schools. In some counties, a small amount of county money is distributed to schools from revenues of the Undivided Classified Property Tax Fund.

Local districts: Budgets of the local subdivisions, including the school districts, are submitted to the county budget commission to determine the allocation of the 10 mills on local assessments authorized by the constitution. Levies outside of the 10 mills may be voted for current operating expense at either a general or special election. A majority vote is required for approval. Additional levies may be also approved for libraries and recreation purposes.

Initiating bond issues: The local board of education has complete responsibility for initiating school bond issues.

Limitations of debt: School bonds may be issued for capital outlay purposes up to 9 percent of the assessed valuation of the district. There are refunding provisions for bonds which have matured or which are about to mature. A State agency does not have authority to fix the debt limit or to approve a higher limit in special cases. School districts are required to have an enrollment of 240 in grades 9-12 before the Board of Education is permitted to place a bond issue before the electorate that exceeds 6 percent of the assessed valuation of the district. The State Board of Education may grant permission to exceed 6 percent but not the 9-percent assessed valuation if it is evident that the high school grades 9-12 will meet or exceed an enrollment figure of 240 within a reasonable period of time. In the event a high school enrollment fails to meet the criterion of 240, then the administering board of education may place a bond issue before the electorate that does not exceed 6 percent of the assessed valuation of the district.

Voting requirements: Bonds may be issued up to one-tenth of the 1 percent of the local assessed valuation of the district without submitting the proposal to an election. When proposed indebtedness goes beyond that amount, an election is required. Bond issue proposals may be submitted at regular or special elections with an affirmative majority vote required for passage.

Approval and sale of bonds: Consent of the State Department of Taxation is required for submission to popular vote of a proposed bond issue of such amount that, if approved, the net indebtedness of the school district would be more than 4 percent of the district's tax valuation. Consent of the State Board of Education is required before submitting to popular vote a proposed bond issue of such amount that, if approved, the net indebtedness of the school district would be more than 6 percent of the district's tax valuation. These are statutory provisions. Bonds are sold on a fixed interest basis. The State does not assist with the sale of bonds and does not require that bonds first be offered to a State agency. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments: Upon approval of a bond issue by vote of the electorate, the county auditor is required to place upon the tax lists of the school districts, for each year until the bonds have been retired, a tax levy sufficient to retire the bonds as they mature and to pay interest charges. This levy is made over and above those for current operating expenses. The clerk-treasurer of the school district is responsible for maintaining the bond record and the school district is responsible for the payment of the bonds.

Short-term indebtedness: Boards of education have statutory authority to borrow money and issue notes therefor in anticipation of the collection of local tax revenues and in anticipation of the collection of revenue from the State. The notes so issued may not run for a period longer than 6 months and the proceeds therefrom must be used only for the purposes for which anticipated revenues are appropriated.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budgets are prepared by local school officials on forms prescribed by the Bureau of Inspection and Supervision of Public Offices. The school fiscal year begins on January 1 and ends on December 31. This does not coincide with the regular school year, which is from July 1 to June 30, but adjustments have been worked out so that most of the complications have been eliminated.

Local approval: The taxing authority of each taxing unit is required to adopt, on or before July 15 in each year, a tax budget for the next succeeding fiscal year. Two copies of the budget must be filed in the office of the fiscal officer of the school district for public inspection not less than 10 days before its adoption by the taxing authority. At least one public hearing thereon is required, of which notice must be given by publication, in a newspaper of general circulation, not less than 10 days prior to the date of hearing. All budgets in each county are required to be submitted to a county budget commission which has been established by law for reviewing budgets and allocating the 10 mills among all subdivisions. This commission considers only the total amount included in the budgets and is not given authority to reduce specific items in the budgets.

Provisions for School Budgets--continued

State review or approval: Budgets of local school districts are not submitted to any State agency for review or approval.

Provisions for School Audits

School audits are made approximately every 2 years by the State Bureau of Inspection and Supervision of Public Offices, an agency of the Department of Auditor of the State. The cost of an audit is charged to the school system involved.

OKLAHOMA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Cecil E. Folks, Director of Finance, Oklahoma State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 50 percent of the non-Federal revenue for public elementary and secondary day schools, is provided by the State through appropriations and dedicated revenue.
2. Approximately 91 percent of the State money for public school support is distributed through the State aid formula. 9 percent is distributed for special purposes.
3. The Foundation Aid Program consists of a guaranteed Base Support Level, less chargeable local revenue, plus flat grants. Incentive Aid to districts is based on local ability with minimum and maximum levels per ADA.
4. Other State funds are distributed for: textbooks, new programs of kindergarten and special education, guaranteed minimum level of revenue, reducing class size, save harmless clause, homebound children, hazardous transportation, and school lunch payments.

LOCAL SUPPORT

1. Only 5 percent of the county and local tax revenue for support of elementary and secondary education is from nonproperty taxes. 7.5 percent of the property tax comes from a countywide levy of 4 mills apportioned on the basis of ADA.
2. Maximum participation in the State Aid Program requires a maximum levy of 35 mills district wide for general fund purposes.
3. Local districts may levy 15 mills without voter approval. The County Excise Board levies 5 mills district wide and 4 mills countywide. The voters must approve the additional 15 mills for the general fund and 5-mills building fund.
4. School district indebtedness is limited to 10 percent of the net assessed valuation of all taxable property real, personal, and public service. Tax rates for debt service are authorized as necessary and are in addition to the specified levy limits.
5. Area Vocational Technical Districts may levy 5 mills for operation, 5 mills for building fund, and 5 percent for bonded indebtedness. The operation levy remains in effect without a vote, unless the levy is increased.

STATE SUPPORT, 1971-72

OKLAHOMA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total	$147,518,111 (100.0%)		
FOUNDATION PROGRAM AID (Title 70, Ch. A, Art. 18, O.S. 1961, as amended by H.B. 1163, 1971) (Minimum Program Portion)	$ 73,931,855 (50.1%)		
Elementary and Secondary.........	Each district is guaranteed a minimum base support level of $260.00 per elementary ADA for the preceding year and $312.00 per secondary ADA for the preceding year. The Foundation Aid is determined by subtracting the amount of the required local contribution from the cost of the Minimum Program Portion and adding to this amount the cost of the Flat Grant Portion.	State share: Calculated amount minus local share. Local share: 15 mills times district's net assessed valuation; 75 percent of county 4-mill levy; auto license and farm truck tax collection; gross production tax collection; rural electric cooperative tax collection; county mortgage tax collection; school land collection.	Requirements for participation: Accredited by State Board of Education. Extent of participation: 652 districts. Distributed: 50 percent first semester, 50 percent second semester.
(Flat Grant Portion)			
Special education...............	For the education of handicapped and exceptional children. $4,000 for the continuation of each special education class provided during 1968-69. $4,500 for each such class initiated during 1970-71.	State share: Calculated amount. Local share: All costs in excess of State contribution.	
Vocational education............	$2,500 reimbursement for each approved vocational education teacher.	State share: Calculated reimbursement. Local share: All costs in excess of State contribution.	
Pupil transportation............	Transportation entitlements are based on a scale of transported pupils per square mile. Allowances range from a high of $152.00 per capita to a low of $30.00 per capita.	State share: 75 percent of calculated allowance. Local share: All costs in excess of State contribution.	
INCENTIVE AID (Title 70, 18-8A, O.S. 1968, as amended by H.B. 1163, 1971)	$ 55,203,281 (37.4%)		
To equalize payments based upon the districts local tax base and willingness to provide maximum local support........	Each district is guaranteed a State matching grant for each mill levied for General Fund purposes above the 15 mills charged against the minimum base support level. The equalized matching grant for 1971-72 is $10.50 per mill per ADA, with all those districts average or above receiving a State portion of 4.3575 and those below average a maximum of 5.365. If the district levies a maximum 35 mills for general fund support, it will receive	State share: Calculated matching ratio times General Fund mills levied in excess of 15 mills. Local share: The yield of General Fund mills levied in excess of 15 mills.	Requirements for participation: A General Fund levy in excess of 15 mills.

STATE SUPPORT, 1971-72

OKLAHOMA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
INCENTIVE AID--continued	as a minimum Incentive Aid payment 87.15 per ADA up to a maximum of 111.30 per ADA (20 mills times State grant). District entitlements are calculated as follows:		
(1.000 - (District wealth ratio* x Local support factor))** x percentage matching support Level*** x (the number of General Fund mills levied minus 15) x District ADA = District's Incentive Aid Entitlement			
TEXTBOOK FUND (Title 70, O.S. 1971 Supp. Art. XVI)	$ 4,188,000 (2.8%)		
Purchase of textbooks...........	Funds are allocated to school districts for grades 1-12 on the basis of $7.00 per pupil enrolled.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Districts must use books from State-adopted list. Extent of participation: 652 districts.
NEW SPECIAL EDUCATION CLASSES (H.B. 1163, Sec. 8, 1971)	$ 1,250,000 (0.8%)		
	For each new special education class, the district provides in 1971-72 in excess of the number of such classes provided in 1970-71, the district is entitled to $5,000 per class. The fund is limited to 250 new classes for the State.	State share: 100 percent of calculated amount. Local share: Difference between the State grant and actual cost.	Requirements for participation: Must establish new special education classes in the 1971-72 school year.
NEW KINDERGARTEN PROGRAMS (H.B. 1163, Sec. 8, 1971)	$ 1,600,000 (1.1%)		
	Districts which established a free kindergarten for the first time in 1971-72 will be entitled to $260 per ADA based on a 2 1/2 hour day. Districts which did provide free kindergarten in 1970-71 shall be entitled to count ADA at 60 percent.	State share: 100 percent of calculated amount. Local share: Difference between the State grant and actual cost.	Requirements for participation: Must establish free kindergarten.

* DWR is the district net valuation per ADA divided by the State net valuation per ADA.

** LFS is the percent factor required to be multiplied by the percentage matching support level in order to get a product equal to the State average valuation per pupil times 1 mill.

*** PMSL is the support level per ADA for each mill of the General Fund levy above the Foundation Program income 15-mills chargeable levy.

STATE SUPPORT, 1971-72

OKLAHOMA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
HOMEBOUND CHILDREN	$ 150,000 (.1%)		
	Provide a payment to the teacher at $3.00 per hour for 2 visits per week, 2 hours each visit plus 10 cents per mile.	State share: 100 percent of calculated amount. Local share: None.	
CHILD GUIDANCE CENTERS	$ 200,000 (.1%)		
	Based on contract with State Health Department for the operation of Child Guidance Centers for school-age children.	State share: 100 percent of calculated amount. Local share: None.	
SCHOOL LUNCH PROGRAM	$ 620,000 (.4%)		
	School Lunch Matching Grant. Distributed through School Lunch Division to match Federal funds. One cent per meal for each child served in the School Lunch Program approved by National School Lunch Act.	State share: 100 percent of calculated amount. Local share: None.	
REDUCING CLASS SIZE	$ 600,000 (.4%)		
	Based on number of teachers employed per grade previous year and ratio of 32 pupils enrolled per teacher per grades 1-6. Qualify for 2/3 salary of 1 additional teacher.	State share: 2/3 of base salary of one additional teacher. Local share: 1/3 of base salary plus.	
GENERAL APPORTIONMENT FUND (Art. XI, Secs. 2 and 3, Oklahoma State Constitution)	$ 4,804,147 (3.3%)		
Permanent School Fund............	This fund is distributed to all school systems on the basis of school-census children 6 to 21 years of age, inclusive. Revenues for this fund are derived from interest and income from the permanent school fund.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: All common schools of the State benefit from this fund. School systems must take an annual school census. Extent of participation: 740 school districts.
GUARANTEED MINIMUM REVENUE	$ 1,200,000 (0.8%)		
	Each district is guaranteed 575.00 minimum general fund revenue, from all sources, in 1971-72. Must vote maximum levy and less than 10-percent surplus from preceding year.	State share: Guarantee minus required local level. Local share: Revenue from required maximum levy.	

STATE SUPPORT, 1971-72 OKLAHOMA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
DRIVER EDUCATION FUND (O.S.L. 1963 SJR24, page 753, Sec. 7)	$ 1,715,000 (1.2%)		
	Based on actual cost of the class but not to exceed $35.00 per pupil.	State share: Not to exceed $35.00 per pupil. Local share: All costs in excess of State contribution.	Extent of participation: 451 districts. Distributed: End of each semester.
VOCATIONAL EDUCATION FUND (Title 70, Art. 14, Sec. 4, Laws of 1949)	$ 2,055,828 (1.4%)		
	The amount indicated represents the State's portion of support for this program which is jointly aided with State and Federal funds. Available money is used to reimburse the participating local boards of education for a percentage of the approved expenditures.	State share: Approved amount. Local share: Costs above State and Federal amounts.	
DESCRIPTION OF STATE LOAN DISTRIBUTION			
TRANSPORTATION REVOLVING FUND (Title 70, Ch. 31, Secs. 1-9, Laws of 1949.)	$ 72,075		
	This fund is not actually distributed to districts but is used by the State Board of Education to purchase buses for districts which are not in a position to buy them.	State share: Pay cost of buses; and are reimbursed by school district. Local share: Repays State loan over a period of 5 years.	Requirements for participation: School systems must be in urgent need of school buses to transport children and must submit evidence that they are not in financial position and do not have the bonding capacity to purchase buses.

OKLAHOMA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Personal and real estate property valuations for taxation purposes are established by the county assessor who is an elected official. Valuations for public service corporation property are determined by the State Tax Commission. The State Board of Equalization has authority to adjust valuations for the purpose of equalizing them on a statewide basis between counties but does not supervise the assessment procedures. The State Board decides whether county assessments in total should be raised or lowered.

Intermediate districts: As amended in 1955, the Oklahoma Constitution provides a tax of 4 mills on the assessed valuation of all taxable property in the county. Proceeds are apportioned to the school districts of the county on the basis of the ayerage daily attendance (ADA) for the preceding school year.

The county also has a tax on intangibles and recorded mortgages which is usually 2 mills. These nonproperty revenues are collected by the county and apportioned to all the schools therein on a school-census basis.

State laws further provide three dedicated tax revenues for schools: Auto license tax, severance tax, and rural electrification tax. The income from these taxes for schools is classified as an intermediate district revenue in this report.

Local districts: When local boards of education certify a need to the county excise board, the county board is required to levy a school district tax of 20 mills or as much thereof as is necessary to finance the estimated needs as filed by the local boards of education against all taxable property in the district.

School districts may also levy for current expense an additional amount not to exceed 5 mills when approved by a majority of the electors of the district voting on the question at an election called for such purpose. Another 5 mills may be levied for the purpose of erecting, remodeling, or repairing school buildings, and for purchasing furniture when approved by the people. For sinking fund purposes, the county excise board is required to make whatever levy is necessary to retire bonds and judgments and pay the interest thereon. In addition to the levies hereinbefore authorized, a school district may make a local support levy in an amount not to exceed 10 mills when approved by a majority of the ad valorem taxpaying voters of the district.

The county excise board has at its disposal for allocation 10 mills in any school district to be used for county and city government. Any part of this which is not needed for the purposes mentioned may be, at the discretion of the county board, allocated to the local school districts. Such revenue would be in addition to all other revenue described in the preceding paragraphs.

All school districts in the State of Oklahoma are fiscally independent insofar as local or county officials are concerned. The State Board of Education and the State Land Commission, both of which distribute money to the various districts, have no discretionary power in this matter except to determine the legal qualifications of said districts to participate in the funds available for distribution.

Provisions for School Indebtedness

Initiating bond issues: Local boards of education have the responsibility for initiating and issuing school bonds. Bonds may be issued for sites, remodeling, new construction, repair, furniture, equipment, and transportation equipment.

Limitations on issuance of bonds: Serial bonds are required and may be issued for not more than 25 years.

Limitations on debt: The Constitution provides that bonds may be sold at not more than 6 percent interest and limits the total debt obligation to 10 percent of the local assessed valuation of the district. No State agency has the authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements: All bond issues must be approved at a special election by three-fifths of the qualified electors who participate.

Approval and sale of bonds: No bond or evidence of indebtedness is valid unless it has endorsed thereon a certificate signed by the county clerk, or other officer authorized by the law to sign such certificate, and the certificate of the attorney for the county stating that the bond, or evidence of debt, is issued pursuant to law and that the issue is within the debt limit. No school district bond issue is a legal obligation against the district until it has been approved by the Attorney General of the State. Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds, and the bonds do not have to be first offered to a State agency. Funds from sale of bonds which are not immediately needed may be invested.

Bond records, tax levies, and payments: County excise boards must levy sufficient taxes against the school district to create a sinking fund to be used for payment of interest coupons as they fall due, and for payment of such parts of judgments as such district may be, by law, required to pay. Judgments are granted by proper courts for payments of warrants against the general or current expense funds and for which revenues were insufficient. School bond and judgment records are kept by the county treasurer and payments are made by that official.

Short-term indebtedness: In payment of current obligations, a school board may issue warrants in anticipation of receipts from tax levies. The amount thus issued may not exceed the anticipated receipts during the year. Warrants are paid in the order of their issuance upon receipt of revenues.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Official school budget forms for all school districts are prepared by the State Examiner and Inspector. They are purchased by the county

Provisions for School Budgets--continued

and furnished free to the districts. Every district must make two copies, one of which is filed with the secretary of the county excise board, and the other with the State Auditor. Budgets are for the fiscal year beginning July 1 and ending June 30.

Local approval: The law requires that all districts file their budgets with the county excise board by July 25. The county excise board must approve all budgets before they become official and are filed with the State. This board has no discretionary authority in approving levies or appropriations but acts in the capacity of an auditor. Budgets must be published for independent districts.

State review or approval: The State Auditor has no authority to review or approve budgets which are filed with his office. His copy is only for public records which may be checked by any taxpayer. There is no prescribed date for filing. However, within 40 days after the date of filing, any such taxpayer may protest either the tax rate or the amount of the appropriation. The State Court of Tax Review passes on the protest. If no protest is filed within the 40-day period, both the tax rates and appropriations become final.

Provisions for School Audits

Oklahoma Statutes require each school district to have all of its funds audited by an independent public accountant or firm of public accountants, who are on a list of auditors approval by the State Department of Education. The expense of the audit is borne by the school district. Each audit must be made annually and filed with the school district board of education, the County Clerk, and the State Board of Education. Interim audits may also be made. State financial aid is conditioned upon compliance with the audit law.

State Board of Education examiners and auditors are also required to audit the use of State and Federal funds. The State Examiner and Inspector may audit a school district upon request or pursuant to a signed petition, with the exception of collections properly chargeable to Student Activity Funds, the law requires all money collected by taxation or by fees, fines, and public charges of every kind, to be accounted for by a system of records that is uniform for each class of accounts. The Estimate of Needs thus contains a complete financial statement of the prior years' activities.

OREGON

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

OREGON PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Lloyd T. Thomas, Coordinator, School Finance and Statistical Services, Oregon State Board of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 21.5 percent of the revenue for public elementary and secondary schools derives from State appropriations.

2. Approximately 1.5 percent of the total State grant money is obtained as income from earnings on permanent school endowments and other revenue from lands credited to the Common School Fund. The remainder is appropriated from general revenue receipts.

3. The principal school support fund in Oregon is the Basic School Support Fund. Four major parts, or distributions, of this fund provide per pupil apportionments, foundation program support, pupil transportation support, and allowances for increases in pupil enrollment.

4. Foundation program support provides for a basic expenditure level of $593.58 per elementary pupil in average daily membership (ADM) and $771.65 per high school pupil.

5. Eight other State distributions include support as follows:
    - Handicapped children
    - Mentally retarded children
    - Educationally able and gifted children
    - Special schools
    - Driver education
    - Special needs and payment in lieu of taxes
    - Disadvantaged children
    - Aid to individuals

LOCAL SUPPORT

1. Approximately 68 percent of school revenue derives from property taxes.

2. Approximately 71 percent of all property taxes levied are for public elementary and secondary education.

3. The property tax is the only tax levied by the local school district or intermediate unit for school purposes.

4. The calculated revenue from a standard tax rate, a rate which varies each year, is used in determining the amount of State equalization support. There is no requirement that school districts actually levy the standard tax rate.

5. Starting with 1966-67, the governing body of each county was statutorily required to provide annually, by levy upon all taxable property of the county, or otherwise, an amount at least equal to the lesser of (1) the minimum amount it was required to levy for purpose of the county school fund in the tax year 1965-66 or (2) $10 per capita for all children within the county between the ages of 4 and 20 years, as shown by the preceding school census.

6. There are no statutory tax-rate limits for school support imposed on either school districts or counties. Unless approved by a majority of the people, county and school district levies may not exceed by more than 6 percent the highest lawful levy, exclusive of debt service levies and specific levies authorized by the people, in any one of the last 3 years in which such levy was made.

7. School district indebtedness may not exceed .55 of 1 percent of the total true value of all taxable property in the district for each of grades 1-8, and .75 of 1 percent for each of grades 9-12.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total	$107,109,850 (100.0%)		
BASIC SCHOOL SUPPORT FUND--Average Daily Membership Portion (ORS 327.006-327.200)	$ 75,177,686 (70.2%)		
Average Daily Membership Portion..	Each district receives for each weighted resident pupil in average daily membership (ADM) an amount determined by dividing the amount ($75,177,686) provided for this distribution by the total weighted resident pupils in ADM in the State. Pupil units for grades 9-12 are weighted by a factor of 1.3.	State share: 100 percent of calculated amount. Local share: No required local share for this specific fund.	Requirements for participation: Submit required reports and conform to prescribed standards established by State law or the State Board of Education. Extent of participation: All school districts in the State.
BASIC SCHOOL SUPPORT FUND--Foundation Program Portion (ORS 327.006-327.200)	$ 14,708,114 (13.7%)		
Foundation program portion.......	If the net operating expenditures of the district are less than the cost of the basic education program for the district, the difference shall be deducted from the amount of equalization aid. The basic or foundation education program support level is $593.58 for each weighted resident pupil in ADM in elementary grades and $771.65 per high school pupil. Provision is made for a larger per pupil allowance if a district has approved elementary or high schools with an ADM of less than 100. If approved for a small school correction, the district's basic program for these schools may be adjusted accordingly.	State share: Calculated amount minus local share. Local share: Local district contributions include (a) the local contribution correction, which is the difference determined by deducting the amount the district levies in support of the County School Fund from the sum of its receipts from the Federal forest fees and Common School Fund receipts; and (b) the proceeds at a standard tax rate determined by the State Superintendent of Public Instruction that will result in the distribution, within practical limits, of the amount available, based on the true cash value of taxable property in a district as computed from assessed valuations and equalizing tax ratios determined by the State Tax Commission. The required rate is computed as follows: $\text{Required Rate} = \frac{\text{Cumulated Basic Program} - \text{Cumulated Local Contribution Correction} - \text{Cumulated Flat Grant} - \text{Amount Available for Equalization}}{\text{True Cash Value of Districts Involved}}$ When 12 grades are not operated by the district, 7.5 percent of the true cash value shall be attributed to a district for each grade from the first through the eighth for which it provides education, and 10 percent of the true cash value shall be attributed to a district for each grade from the ninth through the twelfth for which it provides education.	Requirements for participation: Each district which has any positive difference remaining after flat grants and the local district contribution have been deducted from the cost of the basic education program may participate. Extent of participation: Approximately 50 percent of the school districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
BASIC SCHOOL SUPPORT FUND-- Transportation Portion (ORS 327.035)	$ 7,958,199 (7.4%)		
Transportation portion........... (nonrestricted use)	Each district receives that proportionate share of the amount available for distribution as its approved cost for transportation (or board and room in lieu of transportation) bears to such approved cost in all districts, in the year prior to the year of appointment. The total allocation is determined at 60 percent of the approved cost of transportation and board and room in lieu of transportation of all districts in the second year preceding the year of appointment.	State share: Amount made available. Local share: All costs not reimbursed by the State.	Requirements for participation: Provide home to school pupil transportation service in accordance with regulations and standards established by the State Board of Education. Extent of participation: Most school districts.
BASIC SCHOOL SUPPORT FUND-- Growth Portion (ORS 327.042)	$ 1 516,440 (1.4%)		
Growth portion.................. (nonrestricted use)	A maximum of $200 per growth pupil (increase in resident ADM over previous school year).	State share: Up to $200 per growth pupil. Local share: None.	Requirements for participation: District must actually demonstrate an increase in resident weighted ADM between December 31 of the apportionment year and the district's resident ADM at the close of the previous school year. Extent of participation: More than half of school districts.
COMMON SCHOOL FUND (ORS 327.405 to 327.480)	$ 1,552,858 (1.5%)		
Support and maintenance of the common schools..................	The Common School Fund, comprised of the interest arising from the Common School Fund and the revenue from designated school lands, is distributed by the State Land Board to the respective County Treasurers on the basis of the number of resident children in the county between the ages of 4 and 20. Each district receives the same proportion of the total available as the resident ADM of the district bears to the total resident ADM of the county.	State share: Available amount. Local share: None.	Requirements for participation: Provide education for resident children in the preceding year. Extent of participation: All school districts in the State.
HANDICAPPED CHILDREN FUND (ORS 343.221 to 343.285)	$ 2,363,646 (2.2%)		
	This fund is used to reimburse districts for the excess cost of educating handicapped children in preschool and/or grades 1-12 where such cost is above the	State share: Excess per pupil costs above regular school program.	Requirements for participation: Operating special programs for handicapped children which meet State prescribed standards and submit required information.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
HANDICAPPED CHILDREN FUND--continued			
	average per capita cost for education in the district.	Local share: Local district provides funds up to the average cost for education in the district.	Extent of participation: Approximately 100 school districts. Distributed: After close of school year when claim is approved.
MENTALLY RETARDED CHILDREN FUND (ORS 343.410 to 343.490)	$ 1,598,850 (1.5%)		
	Districts which meet the eligibility requirements for aid under this program receive up to: (a) $3,000 for teacher's salary in each special class; (b) $700 for transportation of children in each class; (c) $300 for each class for special equipment and supplies; and (d) an amount equal to 50 percent of each supervisor's salary or $4,000 of each supervisor's salary, whichever is less, provided he or she supervises 8 or more teachers. Reimbursement funds under this program are prorated.	State share: Amount made available. Local share: All costs in excess of reimbursement.	Requirements for participation: Certify 12 or more children as eligible and enrolled in special classes for mentally retarded children and meet other requirements as specified by the State Superintendent of Public Instruction. Extent of participation: An estimated 80 school districts.
STUDENT DRIVER TRAINING FUND (ORS 343.710 to 343.740)	$ 714,837 (.7%)		
Classroom instruction and dual-controlled automobiles......	Each school system offering a driver training course may be reimbursed for 90 percent of the cost of conducting the training, but the amount may not exceed $50 per pupil completing the course.	State share: 90 percent of program costs not to exceed $50 per pupil on completion. Local share: 10 percent of cost of conducting program or amount above $50 per pupil completing the course.	Requirements for participation: Courses must comply with State standards and requirements and maintain accurate cost records. Extent of participation: 140 school districts.
EDUCATIONALLY A AND GIFTED CHILDREN FUND (ORS 343.391 to 343.401)	$ 15,440 (0%)		
Instructional improvement........	Reimbursement may not exceed 50 cents per child in average daily membership (ADM) involved in the program. If the amount available is insufficient to pay the full amount requested for reimbursement, the fund is prorated.	State share: Not to exceed 50 cents per child in ADM involved in the program. Local share: Amount above 50 cents per child in ADM.	Requirements for participation: Submit and have approved a written plan for curriculum or instruction improvement for enrolled educationally able and gifted children and file necessary reports. Extent of participation: 50 school districts. Distributed: As an advance prior to the end of the fiscal year when so approved by the State Superintendent of Public Instruction.

STATE SUPPORT, 1971-72

OREGON

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
STATE TAX-EXEMPT PROPERTY (STEP) (327.660) $ 106,650 (.1%)		
Districts are reimbursed for educating pupils living on State tax-exempt property. The amount reimbursed is equal to the difference between the net operating expenditures per pupil plus reasonable cost of transportation, and the average receipts of the district per pupil from county, State and Federal sources.	State share: Each district receives the local contribution portion of current costs per ADM. In the event sufficient funds are not available to reimburse the full amount, the district receives its pro rata share. Local share: No local share is needed if State fund is adequate.	Requirements for participation: Must have children in district schools who live on State-owned property. Extent of participation: 45 school districts.
DISADVANTAGED CHILDREN (363.650) $ 1,000,000 (.9%)		
Disadvantaged child payments to districts with at least 50,000 ADM for programs for children who, in their backgrounds are socially or culturally deprived to such a degree that without supplemental facilities and service they cannot profit in the regular school program to the same extent as children with normal backgrounds.	State share: 100 percent or an amount equal to the total cost of the approved program or service provided. Local share: None.	Requirements for participation: District must have at least 50,000 ADM. Extent of participation: 1 school district.
AID TO INDIVIDUALS (343.301) $ 37,299 (0%)		
The fund pays part of the tuition and living expenses for deaf-blind children in a regional center for blind-deaf children for a suitable instructional program.	State share: Cost shared with Federal grant. Local share: None.	Extent of participation: No district participation.
SPECIAL SCHOOLS (326.510) $ 359,831 (.3%)		
The schools are administered by the districts in which they are located; the schools are reimbursed on a contractual basis.	State share: 100 percent of the cost of operating three special schools. Local share: None.	Requirements for participation: By contract with the State Board of Education. Extent of participation: 3 school districts.

NOTE: Oregon does participate in the National School Lunch Program; however, no specific State fund has been established for this purpose.

OREGON

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Counties are required by law to make ratio studies to test the assessment level of all classes of property. The Department of Revenue must examine the ratio study prepared by each county assessor. In evaluating the assessor's ratio, he may make an entirely independent study. The Director of the Department of Revenue has two courses of action if he finds that the assessment level does not meet the required standards of market value. If the Director finds that the ratio of assessed value to true cash value of locally assessed property deviates more than 10 percent (5 percent after January 1, 1974), the Director shall substitute his ratio. Or, if the Director finds that any class of property is outside the tolerance described above, he shall order a change of assessed values to bring the class to 100 percent of true cash value.

6-percent Limitation:
The permanent taxing authority of the board of directors of any municipal corporation in Oregon is constitutionally limited. This authority to tax without the vote of the people is referred to within the State as the district's "tax base". The tax base may be acquired in either of two ways. One, if so authorized by the electorate, the first year's levy of the district when newly organized may become the tax base; or, two, the district may establish a new tax base by voting a specific sum at an election called for that purpose. Once a tax base is acquired, the Oregon Constitution limits its increase annually to 6 percent. In the event a district fails to levy the full amount of its tax base, the 6 percent increase is applied to the highest levy made by that district during the preceding three-year period. The 6 percent limitation excludes debt service levies and serial levies voted by the people. The local district can--and most districts do--vote levies annually in excess of the 6-percent limitation.

Intermediate Level Funding:
1. The County School Fund. Each county is required to establish a County School Fund and levy for this fund an amount at least equal to the lesser of (1) the minimum amount it was required to levy for the purpose of the county school fund in the tax year 1965-66 or (2) $10 per capita for all children within the county between the ages of 4 and 20 years, as shown by the preceding school census.

No limit to the county levy for schools is prescribed if properly voted. However, the total county levy, in which is included the County School Fund levy, is limited by the 6-percent limitation unless a special election is held to exceed that limitation for that year. The principal revenue sources for the County School Fund are property taxes and Federal forest fees.

2. The Intermediate Education District Fund. An intermediate education district of a given county is comprised of all school districts whose administrative office is in that county. Its boundary is not necessarily coterminous with county lines. An intermediate education district may provide administrative, instructional, and supervisory services for the local school districts within its jurisdiction.

Taxes levied by intermediate education districts are determined under one of two district statutory procedures. Under the first, the intermediate education district is authorized to levy, subject to the 6-percent constitutional limitation, a tax sufficient to pay its own operating expenses, an amount which it may set aside for distressed districts and 50 percent of operating expenditures of all component school districts, as estimated by formula. Except for amounts retained for IED board and staff expenses and for distressed districts, such receipts are distributed among the school districts in proportion to each district's average daily membership (ADM). Twenty-five of the intermediate education districts determine their levies in this manner.

Under the second procedure, the authorized levy, subject to the 6-percent limitation, is determined by the amount required for the operating expenses of the intermediate education district plus the levies, as approved by the intermediate education district board, of all component school districts. After setting aside the appropriation for board and staff expenses, the revenue is distributed among the school districts in the proportion that each approved district levy is to the total of all such levies. There are 4 such intermediate education districts.

Local districts: The property tax is the source of practically all revenue for schools derived from local sources, and is subject to the 6-percent constitutional limitation.

Provisions for School Indebtedness

Initiating bond issues: Local boards of education may call an election for the issuance of school bonds. School bond elections shall be held when 10 percent or 100, whichever is the lesser, qualified voters of the district petition the board to hold such an election. Bonds may be issued to provide for capital outlay, including school buses, and to fund or refund outstanding indebtedness.

Limitations on issuance of bonds: All bonds must be serial. They must be retired within 20 years from the date of the first principal payment made and 25 years from first date of issue.

Limitations on debt: Provisions regarding debt limitations for school districts in Oregon are contained in the statutes. Aggregate indebtedness may not exceed .55 of 1 percent for each grade from 1 through 8, and .75 of 1 percent for each grade 9 through 12. These limits are based on the total value of all taxable property in the district, which is the value determined by increasing the assessed value to the true cash value.

The State Tax Commission determines actual value by means of equalizing tax ratios. Only the State Legislature has the authority to fix the debt limit.

Voting requirements: School bonds must be approved in a special election by favorable vote of a majority of the qualified registered voters who participate in the election. Qualified registered voters are those who have continuously resided in the school district 6 months immediately prior to the election and were registered in the district 30 days prior to the election.

Approval and sale of bonds: No further approval by local or State agencies is required for bond issues which have been properly authorized and voted. Bonds are usually sold on a fixed interest basis. There is no provision in the law requiring an a priori offer of bonds to a State agency. Funds from the sale of bonds that are not immediately needed may be invested.

Provisions for School Indebtedness--continued

Bond records, tax levies, and payments: All school bond records are kept by the county treasurer. He examines the budgets of school districts which have bonded indebtedness to determine that adequate levies are provided to retire the indebtedness. If the budget includes no such provision, he certifies the necessary levy. Tax levies needed to retire school bond indebtedness are not subject to the limitations imposed on tax levies for current operating expenses.

Short-term indebtedness: The school board of any district may contract indebtedness by the issuance of warrants or short-term promissory notes. In the exercise of such authority, the board may contract or refund short-term loans which shall at no time exceed in the aggregate 80 percent of the ad valorem taxes upon real and personal property theretofore levied and remaining uncollected for such school district for the tax year in which the warrants or notes are issued; and 80 percent of other budgeted and unpledged revenues which the district school board estimates will be received from other sources during such tax year.

The board also has the option of borrowing on its negotiable short-term promissory note an amount not to exceed 80 percent of the ad valorem taxes levied and in process of collection for the current year, and for the two years next preceding, and the full amount of other budgeted and unpledged revenues which the board estimates will be received from other sources during the remainder of the fiscal year. Such warrants and loans must be retired out of the first revenues which become available to the district. The school board is not required to obtain the consent of the voters for short-term indebtedness.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: All local school districts, intermediate education districts, and area education districts (community colleges) are subject to the procedure governing the development and administration of budgets set forth in the local budget law. Budgets are prepared by a budget officer appointed by the school board. A budget committee consisting of the school board and an equivalent number of electors and freeholders appointed by the board reviews, revises, if deemed advisable, and approves the budget. A summary of the budget is then published for a specified period of time preceding a public hearing of the budget, except for the Portland School District and Multnomah County Intermediate Education District, whose budgets shall be submitted for examination to a budget council called the Tax Supervising and Conservation Commission. In all school districts, the levy necessary to balance the budget is subject to the 6 percent constitutional limitation. To exceed such limitation a vote of the electors is required.

The Tax Supervising and Conservation Commission exists only in Multnomah County. By statutory mandate the Commission conducts the public hearings on the budgets of the districts exceeding 100,000 population (Portland School District and Multnomah County Intermediate Education District). All other school districts of the county are required to submit their budgets to the Commission for review only. However, these districts have the option of conducting their own public hearings or of requesting the Commission to conduct their budget hearings. If the Commission conducts the hearings, the school board is required to be present at the hearing of its budget.

If a district fails to impose a levy sufficient to pay the principal and interest on bonds, the county treasurer shall certify the amount necessary to the governing body of the county which shall then make the levy.

State review or approval: The State has authority to require copies of local budgets and to review such budgets for compliance with the Local Budget Law. The State Department of Revenue on appeal has authority to reduce any levy which is not made lawfully.

Provisions for School Audits

An audit of the financial records of all districts is required to be made annually by competent accountants who are authorized by the State Board of Accountancy to conduct municipal audits. A local district may either contract directly with such auditor or may authorize the intermediate education district in which it is located to contract with an auditor for the local district.

PENNSYLVANIA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

PENNSYLVANIA PUBLIC STATE SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Dean S. Hartman, Director of Educational Statistics, Pennsylvania State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 49 percent of the revenue for public elementary and secondary schools is provided by the State. More than 90 percent of the State reimbursements are paid to local school districts on the basis of the previous year's approved expenditure pattern, and not on a current school year basis.

2. State grant funds are provided mainly by legislative appropriations.

3. The basic instruction subsidy accounts for 76.8 percent of the total public school appropriations. Three other subsidies, namely rental, special education, and pupil transportation, account for an additional 7.7, 6.5, and 3.7 percent, respectively. Thus the four largest subsidies represent 94.7 percent of the total.

4. The other distributions which provide for 5.3 percent of State support are for vocational education, health services, tuition for nonresident orphans and foster children placed in private homes or institutions, and a few other minor subsidies.

5. Over eighty percent of the State monies distributed to public schools is allocated on a varying percent (aid ratio) of school costs up to a designated amount. This aid ratio depends on the equalized valuation of local real property per resident weighted pupil in relation to the State average equalized valuation per weighted pupil. The statewide market value per weighted pupil is divided into the district value per weighted pupil, and the resultant quotient is then multiplied by 50 percent.

LOCAL SUPPORT

1. Approximately 77 percent of the local revenue for public school support is obtained from current property taxes. The remaining 23 percent is obtained from nonproperty revenue sources such as per capita, income, amusement, real estate transfer, mercantile, occupational taxes, and a few minor sources.

2. Maximum tax levies for public education are 21 mills for first-class districts, 17 mills first-class A, 25 mills for second-class districts, third- and fourth-class districts. Additional levy amounts are authorized to pay rentals due school building authorities, teacher salaries, liquidation of specified bond issues, and approval of emergency projects.

3. Bonds may be issued up to 15 percent of the local assessed valuation. Up to 5 percent of this limit may be issued by board action without electorate approval.

STATE SUPPORT--continued

5. --continued
This number is subtracted from 1.0000 and the remainder becomes the State's share or aid ratio. Only selected items of current expenditure may be included for State support reimbursement. Federal funds are deducted from expenditures in determining the amount of State aid for which a district may qualify.

6. The State's share of the total reimbursable cost is based on the lesser of (1) the "actual expense," per weighted pupil or (2) a maximum amount fixed by the General Assembly ($620 in 1971-72). No school district can receive less than $62 per WADM.

7. In addition to the Basic Foundation Program, the school districts are paid $140 per eligible child. The basis is the number of children ages 5 to 17 inclusive of families with less than $2,000 annual income, plus the number of children in families with more than $2,000 annual income receiving payments from the Commonwealth on account of aid to dependent children. An additional payment for those districts whose pupils from low-income families are 15 percent or more of their ADM is made according to a scale of $25 to $125. School districts are also eligible for additional subsidy providing they qualify for density and sparsity payments based on census data. The density factor applies to school districts whose census population exceeds 10,000 per square mile. A sparsity factor applies to districts whose population is less than 50 per square mile.

PENNSYLVANIA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total	$1,241,151,000 (100.0%)		
BASIC INSTRUCTION SUBSIDIES (Public School Code of 1949, Secs. 2501 to 2525)	$ 953,000,000 (76.8%)		
Foundation program...............	State support for approved operating expenditures based on an equalization principle. Aid ratio times the WADM times the approved per pupil cost of instruction or $620, whichever is less. In no case shall a district receive for each WADM an amount less than 10 percent of the actual cost or $62, whichever is the lesser amount. Each district qualifying for density or sparsity (except districts in excess of 50,000 WADMS) shall have the approved per pupil cost reduced by the amount of density or sparsity payment per WADM, but in no case shall the remainder be less than $400. WADMS calculated as follows: Half-day kindergarten.. .5 weighted pupils per child in ADM. Full-day kindergarten and elementary....... 1.0 weighted pupils per child in ADM. Secondary..... 1.36 weighted pupils per child in ADM.	State share: State share ratio = $1.0000-.50\ \frac{\text{District Market Value of Real Property Per WADM}}{\text{State Market Value of Real Property Per WADM}}$ Method for computing aid ratio. Obtain Market Value of real property of district as determined by State Tax Equalization Board and divide by district WADM. This is divided by statewide Market Value per WADM. The result is the State-local ratio. State-local ratio multiplied by .50 becomes the district share. District share subtracted from 1.0000 yields the State's share or aid ratio. Local share: State-local ratio multiplied by .50 (see formula above).	Requirements for participation: Operate public schools and levy a school tax. Extent of participation: Foundation Program. - All districts, 516. Density and sparsity - 114 districts. Poverty - 516 districts. Low instruction expense - 16 districts. Distributed: August, November, February, and May.
Population density and sparsity..	Additional allowance per WADM in excess of $400 for districts which have a population exceeding 10,000 persons per square mile or less than 50 per square mile. Maximum reimbursable expenditure limit is $250. Modified density and sparsity are payable to those districts assigned a density or sparsity payment for any school year prior to 1969-70 and for any school year thereafter, which, because of population change or merger with another school district, no longer qualify by reason of population per square mile.	State share: Density and Sparsity.--Actual expenditure per WADM in excess of $400 multiplied by WADM and aid ratio or .375 whichever is greater. Minimum guarantee of $30 per WADM. Density districts with WADMS in excess of 50,000 receive 19 percent of the actual cost of instruction multiplied by the WADM. A modified density payment shall be in the ratio of its population per square mile to 10,000 of the amount to which it would have been entitled had its population per square mile exceeded 10,000. A modified sparsity payment shall be in the ratio of its population per square mile to 50 subtracted from 2.00 and multiplied by the amount to which it would have been entitled had its population per square mile been less than 50.	

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
BASIC INSTRUCTION SUBSIDIES--continued Low-Income Families--Poverty Factor--Children age 5 to 17..... Additional allowance per pupil (5-17) to district of residence of families having annual income less than $2,000 and families having annual income in excess of this amount but which receive State payments on account of children under Title IV of the Social Security Act.	State share: Poverty Factor.--Number of poverty children multiplied by $140. An additional payment for those districts whose poverty pupils is 15 percent or more of their average daily membership shall be made according to the following table. 15 - 19.9 percent $ 25 20 - 24.9 percent 50 25 - 29.9 percent 75 30 percent and over 125	
Low instruction expense.......... Provide each child educated in the schools of Pennsylvania a minimum education of $550 per pupil in weighted average daily membership.	State share: Low Instruction Expense.--For payment during the school year 1971-72 only subtract from $550 times the WADM the sum of the foundation program payment plus the payment for poverty plus the product of the most recent market value by .01624. This amount is added to the foundation program only if it is positive. Local share: All additional amounts not covered by reimbursement.	
Special grant	State share: Five million dollars.	Requirements for participation: Second, third, and fourth-class districts selected by a special committee of five as needing additional funds to receive a fair share of new money appropriated for the year. Extent of participation: Undetermined. Distributed: Undetermined.
RENTAL AND SINKING FUND REQUIREMENTS (Public School Code of 1949, Secs. 2572, 2574, 2575 and 2578.) (Grades K-12) $ 95,052,000 (7.7%)		
Capital outlay.................. Approved cost of the project.	State share: Capital Account Reimbursement Fraction computed for the year 1967 or aid ratio, whichever is larger times reimbursable rental. Districts qualifying for density shall receive no less than 50 percent of the approved reimbursable rental. Computation of quotient (Q) $Q = \frac{\$4,500 - (\text{Market Value Per Teaching Unit x .004})}{\$4,500}$	Requirements for participation: Building plans must be approved by the Department of Education. New construction must conform with the State Board of Education plan for reorganization of school districts and the approved ten-year plan of projected district needs. District must possess the approved financial resources to meet its part of the cost. Extent of participation: It is estimated that 500 districts will participate in 1971-72.
Elementary school (new buildings)...................... $2,300 multiplied by the rated pupil capacity plus an amount not to exceed 5 percent for grading, site preparation and sewage plant.		
Secondary school (new buildings)...................... $3,000 multiplied by the rated pupil capacity plus an amount not to exceed 5 percent for grading, site preparation and sewage plant.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
RENTAL AND SINKING FUND REQUIREMENTS--continued			
		--Computation of Capital Account Reimbursement Fraction (CARF). Leases approved before March 22, 1956. If Q is .5999 or less, CARF = $.50Q$ If Q is greater than .5999, CARF = Q^2 Leases approved on or after March 22, 1956. If Q is .4999 or less, CARF = $.50Q^2 + .25Q$ If Q is greater than .4999, CARF = Q^2 Local share: All costs not covered by reimbursement.	Distributed: Annual reimbursement as applications are approved.
Area vocational-technical school (new buildings)..................	$3,700 multiplied by the rated pupil capacity plus an amount not to exceed 5 percent for grading, site preparation and sewage plant.	State share: Participating members of area vocational-technical schools are reimbursed 50 percent of their reimbursable rental or the aid ratio times the reimbursable rental whichever is greater. Local share: All costs not covered by reimbursement.	
SUPPORT OF PUBLIC SCHOOLS--SPECIAL EDUCATION PROGRAM (Public School Code of 1949, Secs. 1371, 1372, 1373.1, 1376, 1377 and 2509)	$ 81,403,000 (6.6%)		
District-operated special classes..........................	Amount expended per ADM in excess of the regular per ADM expenditure.	State share: The difference between the approved instructional cost in the regular program and the cost to educate the child in a special program. Local share: The regular program cost and any unapproved cost of the special program.	Requirements for participation: Conduct classes for mentally or physically handicapped or the gifted (exceptional children) which meet State-accepted standards. All children in special education programs are also included for reimbursement in the basic subsidy. Extent of participation: 29 intermediate units and 516 school districts.
Intermediate unit-operated special classes.................	Amount expended per ADM in excess of the regular per ADM expenditure.	State share: The difference between approved tuition rate of the resident pupil and the actual approved instruction cost of the pupil attending special classes operated by the intermediate unit. Local share: The regular program cost.	Distributed: Advance payment to intermediate units for transportation and instruction costs of intermediate unit-operated classes for exceptional children are made in July and January. School districts are reimbursed the following year beginning in May.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SUPPORT OF PUBLIC SCHOOLS--SPECIAL EDUCATION PROGRAM--continued		
Department of Education Operated Special School at Scranton....... Tuition cost.	State share: Balance of cost. Local share: Resident district pays 25 percent of tuition cost.	
Approved Day Schools for Socially and Emotionally Disturbed Students (Students between ages 6 and 21). Approved tuition cost.	State share: 75 percent of approved tuition cost, not to exceed $1,732.50 per school year. Local share: Resident district pays 25 percent of approved tuition.	
Approved Private Schools (For the education of the deaf, blind, partially sighted and palsied)... Approved tuition cost.	State share: 75 percent cost of tuition and maintenance with a $4,200 maximum. 100 percent cost if district of residence cannot be established or if person is under 6 or over 21 years of age. Reimburses on equalization basis the cost of readers, helpers, guides, appliances, etc. for pupils enrolled in public schools. Three dollars per day to certain institutions for educating children under 8 years of age. Local share: 25 percent of a maximum of $4,200 tuition for pupils between 6 and 21.	Requirements for participation: Districts and approved private institutions receive reimbursement for which facilities and instruction for deaf, blind, partially sighted and palsied pupils are furnished. Extent of participation: 450 school districts--44 institutions in Pennsylvania and 9 out of State. Distributed: Quarterly upon approval.
PUPIL TRANSPORTATION (Public School Code of 1949, Secs. 1361, 2509.1, 2541, 2542 and 2543) $ 46,015,000 (3.7%)		
Transportation including vehicles purchased by school districts.... Approved cost of contracted pupil transportation, also approved cost of district-owned vehicles. In addition the payment of board and lodging in lieu of transportation. Nonpublic school pupils may be transported along established bus routes.	State share: Aid ratio multiplied by the approved cost plus a payment for excessive cost of transportation to be determined by subtracting from the approved cost the sum of the Commonwealth payment above, plus the product of 1/2 mill times the latest market value of the district provided such amount is not negative. Annual depreciation charge per vehicle not to exceed $700 per year for district-owned vehicles with total payments not to exceed the lesser of the approved cost of the vehicle or $10,500 per vehicle.	Requirements for participation: District must provide transportation under circumstances which entitle it to reimbursement. Extent of participation: It is estimated that 516 districts will participate in 1971-72. Distributed: Annual reimbursement as applications are approved.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
PUPIL TRANSPORTATION--continued		In lieu of transportation the cost of board and lodging multiplied by the aid ratio may be paid. The State share is not to exceed $1 per day. Local share: All costs not covered by reimbursement.	
VOCATIONAL EDUCATION (Public School Code of 1949, Secs. 1146, 1802, 2502, 2504.3, 2506, 2507, 2508.1 and 2508.3)	$ 32,720,000 (2.6%)		
	On a per-pupil basis depending on program.	State share: $20/pupil in ADM - home economics. $35/pupil in ADM - agriculture. $35/pupil in ADM - industrial education. $50/pupil in ADM - distributive education.	Requirements for participation: Schools must be conducting vocational classes and programs organized in accordance with standards and criteria prescribed by the State plan. Area vocational-technical school building construction must also meet regulations prescribed by the State. Extent of participation: 516 school districts. Distributed: Advanced payments are made to the area technical schools in July and January and are completely recovered from the districts. The districts are reimbursed in June for their share.
Vocational extension and pre-employment training..............	Compensation for vocational teachers, supervisors, and directors with a maximum of $4 per hour. Supervisor and director hours are limited to 20 percent of the teaching hours.	80 percent of compensation.	
Travel expense....................	Travel costs of teachers, supervisors and directors of vocational education.	80 percent of the approved costs.	
Area technical schools...........	Expenditure for purchase and improvement of equipment.	Up to 50 percent of the expenditure.	
Area vocational-technical schools..........................	Approved per pupil cost in excess of actual instruction cost in regular high school program up to a maximum of $75 over the regular high school cost per pupil.	Approved cost. Local share: All costs not covered by reimbursement.	
HEALTH SERVICES (Public School Code, 1949, Secs. 1401 through 1422 and 2505.1. Also 1963, P.L. 1381)	$ 13,900,000 (1.1%)		
Medical examination.............	Cost not exceeding 80 cents per pupil examined multiplied by number of pupils with comprehensive health record.	State share: 100 percent of calculated amount. Local share: All costs not covered by reimbursement.	Requirements for participation: Health examinations of pupils are made in grades K or 1, 6, and 11. Dental examinations of pupils are made in grades K or 1, 3, and 7. Extent of participation: 516 school districts.
Dental examination..............	Cost not exceeding 40 cents per pupil examined multiplied by number of pupils with comprehensive health record.		

STATE SUPPORT, 1971-72 PENNSYLVANIA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
HEALTH SERVICES--continued			
School nurse....................	Cost not exceeding $[illegible] per pupil multiplied by number of pupils enrolled.		Distributed: As applications are approved for payment
Dental hygienist.................	Cost not exceeding $1 per pupil enrolled multiplied by number of pupils enrolled in lieu of subsidy for dental service, for oral hygienist.		
TUITION FOR NONRESIDENT ORPHANS AND FOSTER CHILDREN (Public School Code of 1949, Secs. 1305, 1306, 2503 and 2509.1)	$ 6,035,000 (0.5%)		
	Calculated tuition rate of the district of pupil attendance.	State share: 100 percent of the approved calculated tuition rate. Local share: District of pupil attendance pays all costs in excess of this allowance.	Requirements for participation: Receiving school district will be paid a tuition fee by the State for providing education to nonresident orphaned children placed in private homes by court order and nonresident inmates of children's institutions. Extent of participation: Nonresident child placed in home of resident (Section 1305) - 310 school districts. Nonresident inmates of children's institutions (Section 1306) - 60 school districts. Distributed: Between October and June.
DRIVERS' TRAINING (Public School Code of 1949, Secs. 1519, 1519.1 and 2504.1)	$ 4,097,000 (0.3%)		
	$35 per pupil completing the required approved program.	State share: 100 percent of the calculated amount. Local share: All costs in excess of State allowance.	Requirements for participation: Provide 30 hours of classroom instruction and 6 hours of actual driving per student. Teachers must be properly certified. Extent of participation: 514 school districts. Distributed: Usually November.
HOMEBOUND INSTRUCTION (Public School Code, 1949, Sec. 2510.1)	$ 614,000 (0%)		
	Mandated minimum hourly rate ($4 per hour of instruction).	State share: $4 per hour multiplied by the district's aid ratio. Local share: All costs not coverd by reimbursement.	Requirements for participation: Conduct instruction for a homebound pupil of school age by an approved school teacher at the pupil's residence. Extent of participation: 516 school districts. Distributed: In October.

STATE SUPPORT, 1971-72

PENNSYLVANIA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
AID TO FINANCIALLY DISTRESSED DISTRICTS (Public School Code of 1949, Secs. 691 to 695) $ 500,000 (0%)		
Amount of approved application.	State share: 100 percent of approved amount. Local share: All other available resources.	Requirements for participation: District must be unable to provide the normal operation of its schools with the required tax effort and program. District must apply and meet certain criteria to be eligible for special assistance. Extent of participation: 5 school districts are scheduled for 1971-72 to date. Distributed: As applications are approved for payment.
EDUCATION OF MIGRANT LABORERS' CHILDREN (Public School Code of 1949, Sec. 2509.2) $ 31,000 (0%)		
Estimated cost of instructional services.	State share: Approved estimate of the cost of operation of a planned summer school plus transportation for children. Said program may extend for 40 school days beyond the opening of the fall term. Local share: None.	Requirements for participation: Intermediate unit must have a summer program for children whose parents or guardians have seasonal agricultural employment outside of their regular domicile. Extent of participation: 1 intermediate unit. Distributed: In June or July.
SANITARY SEWAGE DISPOSAL PLANT OPERATION (Act 339 of the 1953 Session of the Pennsylvania General Assembly) $ 275,000 (0%)		
Not exceeding 2 percent of the approved cost of operating sewage disposal plant.	State share: 2 percent of calculated amount. Local share: All costs in excess of State allowance.	Requirements for participation: Department of Environmental Resources reimburses school districts for the operation of sanitary sewage plants, when such plants are constructed and are part of the school building program. Extent of participation: 170 school districts. Distributed: Annual payments as applications are approved.

STATE SUPPORT, 1971-72 PENNSYLVANIA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
PAYMENTS IN LIEU OF TAXES (Public School Code of 1949, Secs. 604, 905 and 2901) $ 43,000 (0%) The current tax rate times assessed valuation of land used for water conservation and flood control in a school district is paid by the Department of Education. Additional funds in lieu of taxes are paid by the Game Commission and Department of Environmental Resources for State forest land, game land, and recreation land.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Districts receive an annual amount from the Commonwealth in lieu of taxes for land acquired by State for water conservation or flood control. Extent of participation: 12 school districts. Distributed: In October.
EDUCATION OF THE DISADVANTAGED (Act 54A of the 1965 Session of the General Assembly of Pennsylvania) $ 1,000,000 (0.1%)	State share: The State provides 10 percent of the cost of federally funded programs to educate the disadvantaged. Local share: All costs, if any, in excess of those borne by the State and Federal Government.	Requirements for participation: School districts must be participating in a federally funded program for the disadvantaged. Extent of participation: 35 to 40 school districts. Distributed: Throughout the year. A portion is advanced when the program is begun and the balance paid upon completion.
SCHOOL FOOD SERVICES (Public School Code, 1949, Sec. 1377) $ 1,176,000 (0.1%)	State share: Four percent of money received for Federal school lunch and milk program. Local share: None.	Requirements for participation: Participation in the Federal school lunch and milk program. Extent of participation: Approximately 500 school districts. Distributed: As applications are made on a monthly basis.
INTERMEDIATE UNITS (Public School Code, 1949, Article IX A, Secs. 901-A through 9201-A, Act 102) $ 5,290,000 (0.4%) Established 29 intermediate units in lieu of the offices of the county superintendents to provide 7 specified services, some of which were formerly provided by	State share: Cost of program. Local share: Member districts pay the balance, if any.	Requirements for participation: Each district was assigned by Act 102 to one intermediate unit. Extent of participation: 516 districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
INTERMEDIATE UNITS--continued		
the county offices, and any additional services the member districts request and are willing to provide for the cost locally............. Weighted average daily membership of the unit shall be the sum of the WADMS for the component districts. An aid ratio for the unit is determined in the same manner as for school districts. A weight factor for each unit is the product of the WADMS and the aid ratio. Statewide value per weight factor is obtained by dividing the State appropriation by the total number of weight factors. Each unit's allocation is the product of its weight factor by the statewide value per weight factor.		Distributed: July and December.

PENNSYLVANIA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Local assessors elected by the people, or appointed by municipal officials, establish property assessments. These valuations may be changed by county officials. It is now mandatory for the counties to establish a permanent countywide system or records to be used in assessing the entire county. No local tax rate is required to be levied to receive general fund revenue.

There is a State Tax Equalization Board, but this Board has no authority to change the assessments. The State Tax Equalization Board compiles information relative to the market value of property used in applying the equalization formula for State subsidies. This Board also determines the percentage relationship of the assessed valuation of taxable real property of each school district to market value. These market values are used in apportioning school aid but do not affect the local assessment level. State officials do not supervise assessment procedures and no State agency has authority to equalize assessments on a statewide basis.

Intermediate units: Intermediate units have no taxing authority. The revenue for these units comes from State subsidy and can be augmented by the local districts.

Local districts: In the two districts of the first-class and first-class A, the maximum levies are 21 mills and 23 mills for property taxes for public education. For second-, third- and fourth-class districts, the limit is 25 mills. In addition, second-, third- and fourth-class districts may levy additional millage if necessary (1) to pay salaries and increments of the teaching and supervisory staff; (2) to pay rentals due any municipality authority or nonprofit corporation or due the State Public School Building Authority; (3) to pay sinking fund charges incurred in connection with school building projects approved by the State Department of Education; and (4) to pay for the amortization of a bond issue which provided a school building prior to the first Monday of July 1959. No fixed millage limit for financially distressed school districts. Emergency need for additional tax millage also can be obtained by approval of the County Court Common Pleas and State Department of Education.

In addition to a general property tax levy, districts of the second, third and fourth classes are authorized to levy a tax of the nonproperty kind that is not being levied by the State. Revenues from nonproperty sources* account for approximately 19 percent of local school revenue. These nonproperty taxes include such taxes as per capita, income, amusement, real estate transfer, mercantile, and occupational. The amount raised by this type of levy cannot exceed 12 mills on the market value of a school district.

Provisions for School Indebtedness

Initiating bond issues: Bond issues may be initiated by the local school boards for the following purposes: to purchase sites; construct, remodel or repair school buildings; purchase buses and school equipment; and to fund indebtedness under certain conditions.

On the basis of legislation enacted by the 1945 General Assembly, the Municipal Authorities Act permits the organization of municipal authorities. Similarly, on the basis of legislation enacted by the 1947 General Assembly, the State Public School Building Authority was established for the purpose of erecting school buildings and providing equipment for the various school districts of the Commonwealth, with the provision that the projects were to be first approved by the State Department of Education. The passage of Act 627 by the 1951 General Assembly provides subsidies on account [illegible] rental for payments made by school districts to municipal authorities and nonprofit corporations as well as payments to the State Public School Building Authority. Therefore, the initiation of bond issues no longer rests entirely upon local school authorities, but one of the above types of nonschool agencies may issue bonds for school construction.

Limitations on issuance of bonds: The law requires that bonds be serial, except for certain small bond issues which do not exceed certain limits. Present-day investment agencies are insisting on serial bonds. The law specifies that bonds may not be issued for a longer period than the estimated usefulness of the projects.

Limitations on debt: Statutory limitations provide that school bonds may be issued up to 15 percent of the local assessed valuation of the district, but that the consent of the electorate is required for any debt over 5 percent. The type of bonds to be issued and the number of years for which the bonds are issued, are determined by local boards within the limitations of the Municipal Borrowing Law, 1941, P.L. 159. Maintenance of a sinking fund is required for all districts. Generally, no State agency is charged by law with the responsibility to fix the debt limit or approve higher limits in special cases. However, in cases of emergency a district may appeal to the State Secretary of Education or the County Court of Common Pleas for permission to exceed the debt limit temporarily.

Voting requirements: When properly authorized, bonds may be issued up to 5 percent of the assessed valuation of a district without a vote. All bonds for indebtedness beyond 5 percent must be approved in an election by a majority of the qualified electors participating in the election.

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* Act 511.

Provisions for School Indebtedness--continued

Approval and sale of bonds: After the election the legality of all school district bond issues must be reported to and approved by the Department of Community Affairs. Bonds sold by school boards must be sold at least at par and carry a fixed rate of interest. Bonds sold by building authorities are often sold at a premium. The State does not assist with the sale of bonds, and bonds need not be offered first to the retirement system or any other State agency. Funds available from the sale of bonds must be deposited in a Bond Fund for expenditure and if not immediately required may be invested in securities in accordance with the School Code.

Bond records, tax levies and payments: When school district bonds have been issued, the taxes necessary to retire them must be levied but these levies must come within the limits of the levies prescribed for the current program. Local boards are responsible for payment of the bonds, handling bond records, and determining the funds and levies necessary for bond retirement.

Short-term indebtedness: Local boards may borrow funds to the full amount of anticipated taxes due and not collected plus any State appropriations due and not received. Provisions for repayment of amounts unpaid must be included in the budget for the following year.

A school district may also borrow money for capital expenditures where no bond issue has been previously authorized. All such obligations, unless refunded by the issue of bonds, shall be paid within five years from the date of issue, together with interest, and at least one-fifth of the total principal of the original loan shall be paid annually. Money borrowed under this provision, added to the nonelectoral indebtedness of the district, shall not exceed the nonelectoral debt limitation of five percent of the assessed valuation of the property of the district.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Summary school budget forms are prescribed and provided by the State Department of Education for the General Fund. These budget forms list the actual receipts and expenditures for the prior fiscal year, a projection of the estimated receipts and expenditures, to the end of the current fiscal year, and the estimated receipts and the appropriation for the upcoming fiscal year. Many local school systems have their own expanded budgets, using such breakdowns as program, building, and purpose. There are also supplementary budgets listing salaries and additional compensations for extra duties, capital program, etc. Local budgets are also prepared for special funds.

The fiscal year begins on July 1 and ends on June 30 to coincide with the State and Federal Government. Two districts, Pittsburgh and Scranton, have a calendar fiscal year along with their municipal governments.

Local approval: Local school boards are responsible for preparing budgets and levy the necessary tax rates. In some districts a public hearing is held, but this is not required by law. In all districts, a period of public inspection is required. Budgets must be adopted before the fiscal year begins.

State review of approval: No State agency has the responsibility for reviewing or approving local school budgets. However, copies of budgets for all districts except the first class must be filed with the State Department of Education and the Department of Community Affairs 15 days after final adoption.

Provisions for School Audits

School audits are required to be made annually by the city comptroller in districts of the first class. All other school districts which were established as a result of the provisions of the Reorganization Act of August 8, 1963, (P.L. 564) have audits completed by a certified public accountant or a competent independent public accountant which the district selects. The cost of such audits is borne by the school districts involved. Copies of all audit reports are filed with the State Department of Education.

Under Section 2553 of the school code the comptroller of the State Department Education shall perform regular audits and field audits and may at his discretion perform special audits to verify allocations of receipts and expenditures. This audit is usually limited to the specific use of program funds given for State and Federal projects.

In addition, the fiscal code of Pennsylvania requires the Department of the Auditor General to audit the accounts and records of all school districts. An examination is made of the receipt and expenditure of the State reimbursement for public education to satisfy the Department that the money received from the Commonwealth was properly paid and all provisions of State law in reference to finances were complied with by the district.

RHODE ISLAND

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

RHODE ISLAND PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Edward F. Wilcox, Chief, Research and Planning, Rhode Island State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 32.4 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.

2. State educational support is provided on the basis of five separate distributions, one of which aids current expenditure programs, one which provides money for school facilities, and three categorical aid distributions for programs for disadvantaged children, handicapped children, and school lunch programs.

3. Assistance for current expenditures is provided on the basis of variable percentage ratios. Each district receives at least 30 percent of all approved expenditures for current operation, must expend at least $500 per pupil in average daily membership (ADM), and pay beginning teachers at least $4,000 per year. About 84 percent of the State funds distributed for the public schools is for this purpose.

4. About 16 percent of State money for public schools is distributed for school housing and disadvantaged and handicapped children, and school lunches.

5. There is a $2-million appropriation to be distributed to local school districts for approved programs for disadvantaged children. A local school district's entitlement to a share of this appropriation is determined on the basis of the latest known ratio which a school district's Title I entitlement under ESEA bears to the total Title I entitlements of the State.

6. There is a $1-million appropriation to be distributed to local school districts for approved programs for handicapped children. A school district's entitlement to a share of this appropriation is determined on the basis of the ratio which

LOCAL SUPPORT

1. Local revenue for public elementary and secondary schools is obtained from taxes levied on tangible property.

2. There are no countywide taxes for school support and there are no nonproperty taxes specifically authorized for local school support.

3. Local districts must provide sufficient operational revenue in 1970-71 so that when added to the State share, the total will amount to at least $500 per pupil in ADM. The State pays at least 30 percent of the cost.

4. Local support for school housing is based on a 13.28-mill tax rate on the equalized weighted assessed valuation, but the State pays at least 30 percent of the cost for each district.

5. School district indebtedness for town and city purposes, including school facilities, is limited to 3 percent of the locally assessed valuation of taxable property, but districts may exceed this limit when authorized to do so by the State legislature.

6. There is no specified limit to the tax rate which may be levied for the payment of debt service.

RHODE ISLAND

PUBLIC SCHOOL FINANCE PROGRAM

Selected Program Facts

STATE SUPPORT--continued

6. --continued
   the handicapped children in a school district bears to the State total of such children.

7. There is an annual appropriation ($1.5 million for Fiscal '72) that is distributed to local school districts for approved school lunch program. A school districts entitlement is determined on the basis of participation in the school lunch program.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total	$ 65,905,370 (100.0%)		
SCHOOL OPERATION FUND (Current expense, grades K*-12) (Title 16, Ch. 7, General Laws of 1956, as amended by Chapter 27 of the Public Laws-1960 and Chapter 160, Public Laws-1967)	$ 55,281,603 (83.9%)		
School operation................ (current expense, grades K*-12)	Amount expended for current expense. Districts must expend at least $500 per pupil in average daily membership for this purpose, including expenditure of State grants.	State share: $\text{State share ratio} \times 100 = \left[1 - \frac{(\text{Standard tax rate})\ (\text{MEWAV})^{*}}{\$500\ (\text{ADM})}\right]$ *MEWAV -- Modified Equalized Weighted Assessed Valuation of real and tangible property modified by the ratio district median family income bears to State median family income. The above ratio multiplied by net resident expense equals the State share entitlement. Net resident expense is determined by subtracting Public Law 874 tuitions and miscellaneous income from total expenditures for school operations. Minimum guarantee provides for at least 30 percent of amount expended; no maximum ratio limit. Local share: Standard tax rate is mandatory, but all local revenue in excess of standard is used in determining State support. Standard tax rate is 65 percent of tax rate on the Adjusted Equalized Weighted Assessed Valuation of taxable property to support this program.	Requirements for participation: Provide amount required for State-defined basic program; pay at least a minimum annual teacher salary of $4,000 rising to $6,000 in no more than 12 steps. Meet other salary schedule requirements specified by law. Extent of participation: 40 school districts. Distributed: In October and April as reimbursement.
Consolidated school districts....	Two-percent increase in State share for each grade consolidated into a regional school district for first 2 years after consolidation. This supplement then reduced by .25 of 1 percent per grade per year down to an amount 4 percent above the normal ratio.		
Services for pupils in nonpublic schools................	Also included are amounts for tuition payments for nonpublic school pupils residing in districts not maintaining public high schools, pupil transportation to nonpublic schools, health services to nonpublic school children. Loans of textbooks in mathematics, science, and modern foreign language may be included. There is no provision for nonpublic school pupils to be enrolled part time for special courses offered only in the public school or to be included in calculation of State aid.		
* Kindergarten ADM weighted by .5			
SCHOOL-HOUSING AID PROGRAM FUND (Title 16, Ch. 7, General Laws of 1956, as amended by Ch. 26 Public Laws-1960)	$ 6,123,767 (9.3%)		
School-housing aid program.......	Cost of approval new construction, plus allowance for construction completed between June 30, 1949, and January 1, 1960, less Public Law 815 funds.	State share: Percent of amount for school facilities as follows: $\text{State share ratio} = \left[1 - \frac{(13.28\ \text{mills})\ (\text{EWAV})}{(\$350)\ (\text{ADM})}\right] \times 100$ The above calculated figure divided by 20 (State share is paid over a 20-year period)	Requirements for participation: Plans for new school facilities must be submitted to and approved by the State Department of Education. Extent of participation: 38 school districts.

STATE SUPPORT, 1971-72 RHODE ISLAND

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL-HOUSING AID PROGRAM FUND--continued	is multiplied by eligible new construction costs. Local share: Public Law 815 funds are deducted from project construction costs in establishing the amount to which the State percentage for the district is applied.	Distributed: Over a 20-year period to meet cost of construction and debt service payments.
PROGRAMS FOR DISADVANTAGED CHILDREN (Title 16, Ch. 7, General Laws of 1956, as amended) $ 2,000,000 (3.0%)		
The appropriation times the latest known ratio which a school district's Title I of ESEA entitlement bears to the total Title I entitlements of the State.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Programs approved by the State Department of Education. Extent of participation: 40 districts. Distributed: On current basis, October, January, April, and June.
PROGRAMS FOR HANDICAPPED CHILDREN (Title 16, Ch. 7, General Laws of 1956, as amended) $ 1,000,000 (1.5%)		
The appropriation times the ratio which the handicapped children in the district bears to the State total of such children.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Programs approved by the State Department of Education. Extent of participation: 40 districts. Distributed: On current basis, in October, January, April, and June.
SCHOOL LUNCH PROGRAM (Title 16, Ch. 18, Section 13, General Laws of 1956, as amended) $ 1,500,000 (2.3%)		
Estimated number of lunches to be served in each participating LEA.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Programs approved by the State Department of Education. Extent of participation: 39 districts. Distributed: On a monthly basis.

RHODE ISLAND

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations for taxation purposes are established by local assessors who may be either appointed or elected officials. Assessment procedures are not supervised by State officials and no State agency has authority to change assessments or to equalize them on a statewide basis. However, the State equalizes aggregate valuations among the towns and cities, and certifies equalized valuations to the Commissioner of Education only for the purpose of providing State support to local districts. Local assessments are not affected. Rather, equalization is reflected in adjustment of items such as State-equalized weighted assessed valuations. State law requires assessments for taxation to be made at full and fair cash value.

Intermediate districts: None.

Local districts: There is no separate school tax in Rhode Island. Towns must vote on all appropriations for schools and each town must raise by tax, for the support of public schools, 3 mills on its locally assessed valuation and not less than the cost of the basic program during the preceding year, plus the costs in the preceding year of all optional programs shared by the State. Cities can set a tax rate limit for all purposes, schools and municipal government included, up to 25 mills on locally assessed valuation, exclusive of taxes for debt service purposes. Permission to exceed this limit is granted by the State Legislature on a year-by-year basis.

Debt service levies are in addition to other levies and are not limited but must be approved by a vote of the people.

Initiating bond issues: School authorities propose the issuance of bonds for school facilities, but the bonds are issued by the respective town or city government.

Limitations on issuance of bonds: Bonds for schools may be either serial or term bonds. There is no limit to the number of years for which bonds may be invested.

Limitations on debt: The amount of bonds issued by a town or city for all purposes, including school purposes, may not exceed 3 percent of the locally assessed valuation. State authorization is required for specified amounts and purposes above the 3 percent limit.

Voting requirements: All bond issues must be submitted at an election and must be approved by majority vote.

Approval and sale of bonds: Bonds may be sold on either a yield basis or a fixed interest rate. Bonds do not have to be offered first to the retirement system or any other State agency. The State does not assist with the sale of school bonds unless requested to by the local cities and towns. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments: Town and city treasurers are responsible for maintaining the bond records. The board of education is not responsible for payment of the bonds. Tax levies for debt service are over and above the limit for all current expenditures, including school and municipal purposes. The municipal agency is responsible for the levying of a tax rate sufficient for the repayment of all bonds, including those for schools. There is no limit to the tax rate which may be levied for the payment of debt service.

Short-term indebtedness: Only town or city governments and regional school districts may borrow funds in anticipation of current revenues. There are no limitations.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budget forms are prescribed by the Commissioner of Education and prepared by local school officials. The State fiscal year covers the period July 1 through June 30. However, the local fiscal year is not uniform among the towns and cities of the State and this lack of uniformity presents some difficulty in preparing and filing financial and other statistical reports. The most popular fiscal year for towns in Rhode Island now is July 1 through June 30, the same as the State fiscal year.

Local approval: Budgets must be acted on by the local board not less than 30 days before the date of the annual financial town meeting or beginning of city fiscal year and must be approved at the financial town meeting or city council meeting. There is no provision for publishing or posting the school budget, except by regional school districts.

State review or approval: Budgets must be filed with the State Commissioner of Education 30 days prior to the annual financial town meeting. The Commissioner of Education is responsible for reviewing budgets to assure that amounts raised by taxation meet the provisions of State law.

Provisions for School Audits

Audits are required annually by all school districts and may be made by the State Bureau of Audits, independent auditors, or by some competent person duly appointed by the Commissioner of Education.

SOUTH CAROLINA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

SOUTH CAROLINA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. David S. Matthews, Assistant Director, Office of Finance, South Carolina State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Sources of revenues for public education for 1971-72 are estimated as follows: State Funds - 54 percent, Local Funds - 32 percent, Federal Funds - 14 percent.

2. Although the sales tax and part of the alcoholic beverage and liquor taxes are earmarked for public schools, they do not produce sufficient revenue to cover the annual appropriation for public schools and thus become part of the State General Fund. Therefore, the State support for public schools is derived in total from money appropriated for the schools. South Carolina has a very small school income from a public school permanent endowment fund.

3. Nearly 69 percent of the State public school support program is used for paying teachers' salaries as specified in the State salary schedule. This schedule is based on the amount of college training, the years of teaching experience, and the teacher's grade on the National Teachers' Examination. The State pays the total amount as determined from the salary schedule with varying local supplements.

4. Based on teaching experience and examination grade, teachers' salaries may range from $5,261 to $6,745 per year for teachers with 4 years of college, from $5,486 to $6,970 per year for teachers with 4 years plus 18 hours of college credit; and from $5,962 to $7,672 per year for teachers with the master's degree and up to $8,977 per year with a doctor's degree. All salaries are paid on a 185 day school term basis.

5. Nearly 6 1/2 percent of the State support money is used for the fully financed State pupil transportation program.

LOCAL SUPPORT

1. About 90 percent of the local revenue for public school support is derived from property taxes.

2. Nonproperty taxes account for the remaining 10 percent of local revenue for the public schools. These taxes which are levied for public school support include the poll tax and dog tax. Other local revenues which provide money include rental and interest income.

3. No local taxes are required as a condition for participation in the basic public school finance program.

4. There are no statewide provisions or limitations for county tax levies for public schools except as provided in 6 below. However, county residents in the separate counties may adopt provisions for county taxes for the schools.

5. Local rates for public school support have no specified limit and do not require electoral approval. Budgets are prepared and adopted by local school boards, approved by the county board of education and/or the county legislative delegation or the county board of administrators or commissioners.

6. A constitutional provision limits school bonded indebtedness to 8 percent of the valuation of the locally assessed property plus the valuation of the State assessed business property in the district. However, if approved in a countywide vote, districts may exceed the percent.

7. Taxes for debt service are not limited and are in addition to tax rates for current operation.

SOUTH CAROLINA

PUBLIC SCHOOL FINANCE PROGRAM

Selected Program Facts

STATE SUPPORT--continued

6. Four additional State funds provide over 19 percent of the total amount of State aid as follows: assistance for school district operational aid, 5.30 percent; vocational education (including construction and equipment of area vocational schools), 3.28 percent; school building construction and debt service, 9.09 percent; and free textbooks, grades 1-8, 1.38 percent.

7. Eleven other State funds which account for the remainder of the State support money help finance principals', supervisors', and special teachers' salaries; county school administration; school lunch operating fund; school lunch supervision; attendance supervisors' salaries; adult education; audiovisual aids library; driver education; and education of mentally and physically handicapped children and special classes for the emotionally disturbed; practice teaching program; and kindergarten program.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total $216,508,914 (100.0%)		
TEACHERS' SALARY FUND (Act 215, Laws of 1947) $149,152,725 (68.9%)		
Number of allotted teachers, based on ADA and teacher salary schedule. Scheduled amounts for 185 days of employment are based on the amount of college training, years of teaching experience, and the grade achieved on the National Teachers' Examination. The amount distributed to each county is the total of the amounts as determined for each employed teacher. This money must be used for payment of teachers' salaries. The counties are not required to pay each teacher according to his individual position on the State schedule, but the State cannot pay more than is paid by local districts. Specified amounts in the State schedule range from $5,261 for a beginning teacher to $6,745 for a teacher with the same training and 14 years of teaching experience. For a teacher with a bachelor's degree plus 18 semester hours of graduate work, the corresponding range is from $5,486 to $6,970 per year. Other allowances range from $5,964 to $7,672 per year for teachers with a master's degree and from $6,527 to $8,977 per year for teachers holding a doctor's degree. All salaries are paid on a 185-day school term basis. For schools with more than 12 teachers the number of teachers for whom funds are provided is based on an ADA of 26 in both elementary and high school grades. In smaller schools a reduced pupil-teacher ratio is used to compute the number of State aid teaching positions. Special education teachers are allowed at a different ratio. There must be 10 pupils in ADA per teacher for the mentally handicapped, and physically handicapped educables. An ADA of 8 per teacher is required for the trainable and emotionally disturbed pupils. For the hearing handicapped and visually	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: School districts must complete necessary reports on employed teachers. Extent of participation: 93 districts. Distributed: Monthly from August through May with any necessary adjusting payments made near the close of the year.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
TEACHERS' SALARY FUND--continued			
	handicapped an ADA of 6 pupils per teacher is required. When the ADA is less than this, the teacher salary allowance is reduced proportionately.		
TEACHERS' SALARY FUND--Principals, Supervisors, and Special Teachers Portion (Appropriation Act)--	$ 7,330,200 (3.4%)		
Used for non-teaching............ principals, supervisors and special teachers.	This grant is distributed to the counties on the basis of one salary for every 25 State aid teaching portions.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Appropriate enrollment figures must be reported. Extent of participation: All 93 districts. Distributed: Monthly.
TRANSPORTATION FUND (Appropriation Act, first established in 1930, and revised in 1951 to a State-owned system.)	$ 14,250,227 (6.6%)		
	The amount provided to each county is the actual expenditure for transportation. Salaries for bus drivers are reimbursed to counties upon requisition. All other transportation funds are paid directly by the Office of Transportation for the purchase of new buses, maintenance, and operation, and for school bus driver training as well as liability and pupil injury insurance.	State share: 100 percent of transportation expenditure for this State-owned system. Local share: None.	Requirements for participation: Bus routes must be approved by the Office of School Buildings, Planning, and Transportation. Transportation must be furnished. Extent of participation: All 93 districts. Distributed: All expenses, other than the drivers' salaries, are paid directly by the Office of Transportation for this State-operated system. Amounts for drivers' salaries are distributed to the counties on requisition.
SCHOOL DISTRICT OPERATIONAL AID (Annual appropriation)	$ 11,480,000 (5.3%)		
This fund is provided for operational aid to the schools.			
Grades 1-12......................	Distributed on the basis of $17.50 per pupil enrolled and in attendance for 35 days.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: 35-day enrollment figures must be reported. Extent of participation: 93 school districts. Final adjustments are made when final figures are reported. Distributed: Monthly beginning in August with final adjustment made on finance figures for the year.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
CONSTRUCTION AND EQUIPMENT OF AREA VOCATIONAL SCHOOLS (General Appropriation Bill, 1971-72)	$ 445,000 (.2%) Appropriated for assistance in the constructing and equipping of Area Vocational Schools under previously established priorities. Entitlement based on legislative determination.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Participating districts or counties must have an approved area vocational program. Extent of participation: 3 schools. Distributed: On receipt of claim.
VOCATIONAL EDUCATION FUND (Sec. 5283 South Carolina Code 1932; Secs. 5431 and 5394, South Carolina Code 1962) Used to reimburse the local...... school systems for expenditures already made, and pay a portion of the salaries of vocational teachers.	$ 6,672,845 (3.1%) The amount indicated is the State portion of the combined State and Federal funds distributed for the support of this program. The Federal share will provide an estimated $7,460,221 additional revenue in 71-72.	State share: A portion of salaries of vocational teachers. 100 percent of manpower development expense. Local share: All expenses not covered by reimbursement.	Requirements for participation: Operate a vocational program which conforms with State requirements; submit and obtain approval of program applications. Extent of participation: 93 school districts. Distributed: Quarterly as applications are received and approved.
STATE PUBLIC SCHOOL BUILDING FUND (Sec. 1 to 24, Art. IV, South Carolina Laws of 1951)	$ 19,680,000 (9.1%) Currently appropriated at the rate of $30 per pupil enrolled in the public schools for 35 days during the immediately preceding school year, supplemented by proceeds from the sale of State School Bonds. After deducting the amount of principal and interest due on the bonds in the current year, the remainder of the total is credited to the school districts in the proportion that each district's 35-day enrollment bears to the 35-day enrollment of the entire State. Each school district is notified of the amount available to the district for building projects. The districts file project applications requesting use of funds available. Each project is reviewed and a recommendation is made to	State share: 100 percent of calculated amount. Advances may be made against future grants. If a district does not apply for its annual allotment, the district share is credited to its account for later use. Local share: None.	Requirements for participation: Funds may be used only for capital improvements approved by the State Board of Education, and to pay principal and interest of school district indebtedness either (1) represented by bonds or notes issued before July 1, 1951 for capital improvements or (2) bonds or notes issued on or after July 1, 1951 for capital improvements approved by the Board. Extent of participation: All 93 school districts. Distributed: Upon application approval. If the annual allotment is not applied for, the district's share is credited to its account for later use.

STATE SUPPORT, 1971-72

SOUTH CAROLINA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
STATE PUBLIC SCHOOL BUILDING FUND--continued	the State Board of Education. Upon approval by the State Board, each district superintendent is notified that funds are available for projects in the amounts approved.		
COUNTY SCHOOL ADMINISTRATION FUND (Appropriation Act)	$ 340,378 (0.2%) Allotments provide $7,400 toward the annual salary of each county superintendent of education.	State share: 100 percent of allowable amount. Local share: None, but county must pay any additional salary amount.	Requirements for participation: A properly qualified county superintendent of education must be elected or appointed except in instances where special legislation has provided otherwise. Extent of participation: All 46 counties. Distributed: Payments are made quarterly and in advance to the 46 participating counties.
SCHOOL LUNCH FUND--Operating Aid (Appropriation Act) To help pay the cost of.......... clerical help, storage, transportation of commodities, travel and office expense at the county level.	$ 476,000 (0.2%) Distribution is based on the number of schools participating in the School Lunch Program in each County in the preceding school year.	State share: 100 percent of allowable amount. Local share: Balance of cost.	Requirements for participation: Schools must operate approved school food service programs which meet requirements established by the State. Extent of participation: 93 school districts. Distributed: In August.
SCHOOL LUNCH SUPERVISION FUNDS (Appropriation Act) Used toward the salary of a...... school lunch supervisor.	$ 250,746 (0.1%) Each county receives $5,451.	State share: 100 percent of allowable amount. Local share: None.	Requirements for participation: Each county must employ a qualified school lunch supervisor. Extent of participation: All 46 counties. Distributed: Payments are made quarterly in advance during the year.

STATE SUPPORT, 1971-72 SOUTH CAROLINA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
ATTENDANCE SUPERVISOR FUND (Sec. 21-781, Laws of 1962) $ 250,746 (0.1%) Used toward the salary of an..... attendance supervisor. Each county receives $5,451.	State share: 100 percent of allowable amount. Local share: None.	Requirements for participation: Each county must employ a qualified attendance supervisor. Extent of participation: 46 counties. Distributed: Payments are made quarterly in advance during the year.
ADULT EDUCATION ACT (Appropriation Act) $ 1,420,598 (0.7%) Allocation for the high school program is based on the number of people in each county with more than 8th-grade education but less than a high school education.	State share: 100 percent of calculated amount. Local share: Balance of cost.	Requirements for participation: A school system must operate in conformance with requirements and standards established by the State Board of Education. The local school boards are responsible for submitting a plan for adult education indicating program objectives, needs, and curriculum; also provisions for evaluation, financing, and program supervision and administration. Plans have been approved for a high school diploma program, or the funds may be used for basic education. Extent of participation: 93 districts. Distributed: Quarterly.
AUDIOVISUAL AIDS LIBRARY FUND (Appropriation Act) $ 97,221 (0%) Audiovisual aids materials distributed on request to any school for use in the instructional program.	State share: 100 percent of cost of materials. Local share: None.	Requirements for participation: None, except for use in the instructional program. Extent of participation: All 93 districts. Distributed: Materials are purchased by the State.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
DRIVER EDUCATION FUND (Appropriation Act)	$ 650,000 (0.3%)		
	$30 per pupil enrolled in Driver Education classes.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Approved course in driver education. Distributed: Annually in July.
MENTALLY AND PHYSICALLY HANDICAPPED CHILDREN FUND (Appropriation Act)	$ 100,000 (.1%)		
	Percentage of appropriation amount to actual needs distributed to participating districts.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Approved program for the mentally and physically handicapped. Distributed: Payments made at the end of the fiscal year.
SPECIAL CLASSES FOR EMOTIONALLY DISTURBED FUND (Appropriation Act)	$ 10,000 (0%)		
	Percentage of appropriation amount to actual needs of participating districts.	State share: Same as fund, Mentally and Physically Handicapped Children Fund. Local share: None.	Requirements for participation: Operate an approved program. Distributed: Annually in July.
TRANSPORTATION OF MENTALLY AND PHYSICALLY HANDICAPPED (Appropriation Act)	$ 60,000 (0%)		
For the transportation of........ trainable mentally handicapped and/or physically handicapped pupils enrolled in approved programs.	Reimbursement for the total cost of transportation not to exceed $70 per pupil per year based on 35-day enrollment. If the request for funds exceeds the appropriation, a pro-rata share will be distributed.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Approved program for the mentally and physically handicapped. Extent of participation: 25 districts. Distributed: June.
FREE TEXTBOOKS FUND (Appropriation Act)	$ 3,000,000 (1.4%)		
Grades 1-8.......................	Basic textbooks are provided for the full school curriculum in grades 1-8 of all public schools in the 93 participating districts.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Selection must be made for basic textbooks from the multiple list of approved textbooks as adopted by the State Board of Education. Extent of participation: 93 districts. Distributed: Beginning of school year in September.

STATE SUPPORT, 1971-72

SOUTH CAROLINA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
PRACTICE TEACHING PROGRAM (Appropriation Act)	$ 92,228 (0%)		
To pay public school teachers.... who hold certificates in their field of specialty to supervise and direct the practice teachers who come from the private colleges.	$65 per supervising teacher.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: An approved practice teacher program. Extent of participation: 60 districts. Distributed: On receipt of claim. Payment made direct to teacher.
KINDERGARTEN PROGRAM (Appropriation Act)	$ 750,000 (.4%)		
For pilot kindergarten.......... programs	Grants are awarded on a competitive basis. Priority must be given to district's ability to meet the following: (a) qualified teacher; (b) teacher aide; (c) adequate physical facilities; (d) appropriate location; (e) provision for adequate equipment, materials, and supplies. Geographic distribution must be a prime factor. A portion of the grant is calculated on the basis of $22.25 per pupil.	State share: 100 percent of stated amount. Local share: Must provide facilities and cost of program beyond State share.	Requirements for participation: The school district must apply for a grant to operate a pilot kindergarten program. A grant must be approved by the State Board of Education. Extent of participation: Approximately 1/2 of districts. Distributed: September and May.

SOUTH CAROLINA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Assessed valuation of real and personal property is generally determined by local district or township assessors who are appointed by the Governor upon recommendation of the county auditor. The chairmen from the above units make up a county equalization board. In a few counties, assessment boards are created by legislative act. Appeals may be made to the county board and to the State Tax Commission. The State Tax Commission places valuations on corporation and other business property including inventories as of January 1, based on a percentage of true value. This body also furnishes county auditors with a schedule of values for motor vehicles.

Intermediate districts: There are no constitutional or statutory provisions for county taxes but most of the counties have local legislation for county school taxes. Debt service levies are made in only a few counties. There are no specified limitations on the county tax levy either with or without vote of the people.

Local districts: Local property taxes are based on the assessed valuation of the district which is composed of the valuation of locally assessed real property and State assessed business property. Valuations on automobiles are based on a State furnished schedule. Revenue from other than property taxes is obtained from poll and dog taxes, interest, and rents. The usual rate for the poll tax, more properly capitation tax, is $1 per adult male. This tax is not a requirement for voting. The usual rate for the dog tax is $1.

Provisions for School Indebtedness

Initiating bond issues: Bonds are initiated by local school districts and are issued for capital layout purposes. However, there are numerous exceptions made by local provisions with the result that these general limitations apply only to a small proportion of the districts.

Limitations on issuance of bonds: All bonds may be issued for a maximum of 20 years. Serial bonds are not required.

Limitations on debt: The State Constitution provides that school bonds may be issued up to 8 percent of the assessed valuation of taxable property in the district. Only by approval of the entire voting populance of the county can this percentage be raised above 8 percent. No State agency has authority to approve a higher limit even in special cases.

Voting requirements: Unless otherwise provided, school bond issues must be approved by a majority of the qualified electors who participate in the election. In some cases, bond issues are authorized by special local legislative acts, such as the continuing authority to issue bonds up to the limit of bonded indebtedness.

Approval and sale of bonds: When bonds have been issued in accordance with provisions of general or local laws applying to the school district involved, no further local or State approval is required. It is not required that bonds first be offered to a State agency and no assistance is provided for the local sale of bonds. Funds from the sale of bonds that are not immediately needed may be invested, and the interest accrues to the district.

Bond records, tax levies, and payments: County officers are authorized to levy and collect sufficient funds for payment of interest and principal on all outstanding bonds in the districts of the county. These levies are over and above those for current expenses. Bond records are kept by a county officer, usually the treasurer. The county superintendent of education approves payment in some but not all instances.

Short-term indebtedness: Local school board may make current school district loans by signing notes and citing special legislation giving them this authority. Five years is a term often used and special levies are added to retire the loan. In recent years, short-term loans for current operations have been practically eliminated by disbursing State aid for teachers' salaries, maintenance and operation, and supervision and overhead 1 and 2 months in advance during the fall of the year before local tax revenue becomes available.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budgets are prepared by the local school board on forms prescribed by the county or local systems. The school fiscal year begins on July 1 and ends on June 30. All districts and the State have this same fiscal year.

Local approval: In some instances, local laws require that budgets be submitted to the county board of education for approval while some districts also require approval by the county legislative delegation. These are not general provisions. There is no specific date by which the local board must act on the budget.

State review or approval: No State agency is responsible for approving any school budget and no copies are filed with a State agency.

Provisions for School Audits

School audits are left to the option of the local school system in all districts. Counties are requested by law to have audits made. These audits include the office of the county superintendent of education. Usually the districts have a detailed annual audit made by some independent auditing agency. The local district bears the expense of the audit. It is not required that a copy of the budget be filed with a State agency.

SOUTH DAKOTA

PUBLIC SCHOOL FINANCE PROGRAM, 1970-71

SOUTH DAKOTA PUBLIC SCHOOL FINANCE PROGRAM, 1970-71 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Gale D. Schlueter, Director of Statistical Services, South Dakota State Department of Public Instruction, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 15 percent of all revenue for public elementary and secondary schools is provided by the State.
2. Legislative appropriation from the general revenue fund of the State provides approximately 76 percent of the money distributed to school districts for support of the elementary and secondary schools. The balance of State support is derived from income earned by permanent school endowments and four smaller appropriations.
3. Allotments from the Minimum Foundation Program Fund account for 78.7 percent of State grants for public schools.
4. Amounts for distribution from the Minimum Foundation Program Fund include $1,000 per high school classroom unit and $1,000 per elementary school classroom unit, and $1,000 for a one teacher school.
5. Distributions from the Permanent School Fund, based on the annual school census, provide another 15.0 percent of the total State support program.
6. Four additional appropriations account for the remaining 6.3 percent of the State grant money. These include payments in lieu of nontaxable lands, payments for taxes on land in public shooting areas, an appropriation for special education, and an appropriation for vocational education.

LOCAL SUPPORT

1. Approximately 96.5 percent of the public school revenue is obtained from local property taxes.
2. Over three-fourths of the other 3.5 percent of county and local district school revenue is from local sources other than property taxes such as the rental income, interest on invested funds, and gifts. The balance of school revenue from sources other than property taxes is from county sources and includes a tax of $1.00 per elector and proceeds from fines.
3. The countywide poll tax is the only nonproperty tax specifically authorized for school support.
4. No specified county or local district tax levies are required for participation in a State grant fund.
5. Local boards of education may authorize tax levies of 20 or 40 mills, depending on the kind of district, except for a 24-mill limit on agricultural property in independent districts. An additional 10 mills may be authorized by the electoral approval. Local boards may also levy up to 5 mills for a capital outlay fund.
6. School districts may issue bonds up to 10 percent of the local assessed valuation, including the outstanding indebtedness of the district. Taxes for debt retirement are authorized with approval of the voters to issue bonds.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total . . . . (Est.)	$18,764,835	(100.0%)		
STATE FOUNDATION PROGRAM OF FINANCIAL SUPPORT TO SCHOOL DISTRICTS (SDCL Ch. 13-13-10 through 13-13-41, inclusive as amended)	$14,769,835	(78.7%)		
Calculation of classroom units: Common districts*	Multiply total ADM (K-8) of the district during the previous school year by the multiplicand (Table I, Column 2) and add the value of the constant (Table I, Column 3). An eligible common school district is entitled only to the number of classroom units derived from this calculation. A one-teacher school is entitled to only one classroom unit.		State share: Cost minus allowable district income equals equalization support. Local share: The yield of 13 mills on the adjusted agricultural property, plus 18 mills on the adjusted non-agricultural property, plus general support funds, plus all tuition receipts, plus receipts from the permanent school fund.	Requirements for participation: Each district must have operated one or more schools during the previous school year, none of which is a 1-teacher rural elementary school with an ADM of 5 or fewer, located within 5 miles of another operating school, and no secondary school of fewer than 35 pupils in ADM shall have been operated within 20 miles of another secondary school. Schools must employ qualified teachers and be accredited. Extent of participation: 656 school districts in 1970-71. Distributed: Three payments, December, March, and May, distributed directly to the school district.
Independent districts*	The classroom unit entitlement of eligible independent districts equals the sum of lower grade classroom units (K-8) (Table I calculation) plus 10 percent of this sum for administration and supervision, and the number of upper grade units (9-12) (Table II calculation) plus 10 percent of this sum for administration and supervision.			

(TABLE I)

Total ADM, K-8 in the school district	The value of the slope of the line of best fit	The value of the constant
00.000 - 46.506	+.012042	+1.901461
46.507 - 181.534	+.044834	+0.376446
181.535 - 226.300	+.014995	+5.772454
226.301 - and over	+.040503	+0.000000

(TABLE II)

Total ADM, 9-12 in the school district	The value of the slope of the line of best fit	The value of the constant
00.000 - 96.269	+.042086	+2.149407
96.270 - 299.077	+.047712	+1.607799
299.078 -491.588	+.033150	+5.962965
491.589 - and over	+.045280	0.000000

* Classroom credit will not be greater than the actual number of teachers assigned.

STATE SUPPORT, 1970-71

SOUTH DAKOTA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
STATE FOUNDATION PROGRAM OF FINANCIAL SUPPORT TO SCHOOL DISTRICTS--continued		
Calculation of State-supported foundation program level........ Multiply $8,000 by the district's allocation of classroom units as calculated above plus tuition payments to other districts and tuition payments for exceptional children.		
General support portion......... $1,000 for each upper grade classroom unit, 9-12. $1,000 for each lower grade classroom unit, K-8. $1,000 for each one-teacher school classroom unit.		
Equalization support portion.... Funds remaining after general support and transportation aid payments are made are distributed to eligible school districts under an equalization formula in the amount that the cost of the State-supported foundation program level exceeded the income of the foundation program for such districts during the previous school fiscal year.		
Transportation portion.......... Fifty percent of costs necessary to get pupils to and from school but not to exceed 18 cents per mile.		
PERMANENT SCHOOL FUND (Art. VIII of the Constitution and SDCL 13-13-4 through 13-13-6) $ 2,810,000 (15.0%)		
Fund is composed of receipts from earnings of the Permanent School Fund and is distributed in proportion to census figures for children 6-21.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Each school district is required to make an annual census of all children between ages 5 and 18 inclusive, and report census to the State Commissioner of School and Public Lands. Extent of participation: Approximately 280 districts. Distributed: Annually. Fund is composed of receipts from earnings of the Permanent School Fund and is distributed annually in proportion to census figures for children 5 through 18.

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
EXCEPTIONAL CHILDREN FUND (SDCL 13-37) $ 350,000 (1.9%) Distributed on the basis of an approved plan and application.	State share: Up to $400 per child. Local share: Balance of actual cost.	Requirements for participation: Children must be handicapped and require special instruction and service. Classes must be approved by State Department of Public Instruction. Extent of participation: Est. 57 school districts; 114 classrooms. Distributed: Two payments, January and at the end of the school year.
SCHOOL LAND TAX BASE DEPLETION FUND (SDCL 5-11) $ 280,000 (1.5%) Distributed on the basis of the number of areas of nontaxable school and endowment lands within the school district. The distribution provides about 19 cents per acre of such land.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: School districts must have nontaxable school and endowment lands within their borders, or land under the jurisdiction of the Board of Regents on charities and corrections. Extent of participation: Est. 225 school districts. Distributed: One payment in February.
PUBLIC SHOOTING AREAS FUND (SDCL 41-4-8) $ 55,000 (0.3%) State-owned public shooting land is assessed for taxation in the same manner as other land and is equalized and entered on the tax lists for taxation. Amounts are paid by the State to the districts which have such lands within their boundaries according to the value and tax rate placed on the land.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: School districts must have State-owned lands known as public shooting areas which are subject to taxation by local taxing districts. Distributed: Funds are distributed to counties and in turn to local school districts.
VOCATIONAL EDUCATION (SDCL 13-39-19) $ 500,000 (2.6%) To aid and assist in establishing and maintaining vocational education programs.	State share: 100 percent of approved amount. Local share: Balance of program costs.	Requirements for participation: District must have approved program and make application for payment. Distributed: As projects are approved.

SOUTH DAKOTA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1970-71

Provisions for Raising School Revenue

Property assessments: Valuations of taxable property are established by assessors appointed by each municipality, civil township, or other area of the county not so organized. A local equalization board of assessments meets in each assessing area to equalize the valuations of property between individuals, after which the assessments are sent to the county commissioners to be equalized between the taxing districts. Assessment procedures are supervised by the State Division of Taxation.

A State Board of Equalization consisting of five freeholders is appointed by the Governor and confirmed by the Senate on an overlapping-term basis. Not more than three members on the board may be of the same political party. The State Board hears and acts only on appeals and in the event of a property tax levy for a State purpose when it may equalize valuations on a statewide basis.

Property is to be assessed at its true and full value but only 60 percent of such value is considered as the taxable value. The assessor values each article by itself, including the value of land which is assessed exclusive of improvements. The aggregate value of property includes the value of all structures and improvements but excludes the value of crops on cultivated land.

Intermediate districts: Effective July 1, 1971, the county no longer taxes property for school purposes. Nonproperty tax sources of revenue include a poll tax of $1.00 per elector and proceeds from fines for violation of State laws.

Local districts: Local boards of education may levy taxes for the General Fund, Capital Outlay Fund, and Bond Redemption Fund within specified statutory limits. No electoral approval is required for these levies.

"General Fund" levies are limited to 20 mills on local assessed valuation if the district operates only a separate elementary or high school program, and 40 mills on non-agricultural property, if it operates both. Further, a levy may not exceed 24 mills for the general fund on agricultural property. Also, the general fund levy may be raised, not to exceed 10 mills, by a 75-percent vote of the electors in favor of the increase. In addition, there is a levy for school purposes on the assessed valuation of money and credits but the amount received from this source is trivial.

"Capital Outlay Fund" levies by school districts are in addition to the statutory limitations which apply to the general fund and may not exceed 5 mills. The law provides that surplus funds may be transferred from the general fund to the capital outlay fund. No funds can be transferred out of the capital outlay fund.

The "Bor[illegible]mption Fund" levy is authorized to raise sufficient money to retire the b[illegible]ch become due each school year and to pay the interest thereon. Th[illegible]o limit on the rate for debt service, and such levy may be in addition t[illegible]ral fund statutory limitations.

Local nonproperty revenue comes from rental income for use of school facilities, interest on invested funds, and gifts.

Provisions for School Indebtedness

Initiating bond issues: Each school district has complete responsibility for the initiation and issuance of school bonds.

Limitations on issuance of bonds: Provided a market for bonds can be secured, the school board may issue serial bonds for a determined number of years.

Limitations on debt: The Constitution provides that school districts may issue bonds which with other indebtedness may be up to 10 percent of the districts' assessed valuation. No State agency has the authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements: All school districts are authorized and empowered to issue negotiable bonds to refund any bonded indebtedness which is or is about to become due and payable, or whenever such indebtedness can be refunded at a lower rate of interest; to fund any judgments or outstanding warrants; and to raise money for any purpose for which the school board is authorized to spend school district funds. The proposition to issue such bonds, except bonds to fund registered warrants or to refund bonded indebtedness, must be submitted to the electors of the school districts at a general or special election. Sixty percent of the votes cast at the election must be favorable to authorize the issuance of bonds.

Approval and sale of bonds: State agency approval is not necessary in the sale of bonds. The State does not assist with the sale of bonds and it is not necessary to first offer them to a State agency. Bonds are not submitted to the State Department of Public Instruction or to any State agency for review, reference, or approval. Funds from the sale of bonds that are not immediately required may be temporarily invested.

Bond records, tax levies, and payments: Tax levies for debt service must be levied over and above those for the current school program. Prior to issuing bonds, the school board provides for the collection of an annual tax sufficient to pay the interest and principal payments as they become due for the entire term of years for which said bonds are to run. All such levies when legally made shall be irrepealable until such debts shall be paid. The school district is responsible for maintaining the bond records and for payment of the bonds.

Short-term indebtedness: School boards have the power to borrow money by issuing a promissory note in anticipation of taxes to be collected subject to the following regulations: (1) the amount borrowed shall not exceed 95 percent of the uncollected taxes levied for the current school fiscal year for the fund for which the money is borrowed; (2) the borrowing limit must be reduced by the amount of outstanding warrants and promissory notes due at the time of the transaction takes place; (3) after the promissory note has been issued, no money in the fund for which the note was issued, collected through district taxation sources, shall be expended until such notes have been redeemed; (4) such notes shall be signed by the presiding officer, the clerk, and the treasurer of the school board; and (5) the rate of interest not to exceed 6 percent shall be stated on the note.

SOUTH DAKOTA

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School districts prepare their own budget forms which must contain the items of expenditures listed on the annual report to the county superintendent of schools. The school fiscal year begins on July 1 and ends on June 30.

Local approval: The local school board must approve the budget before August 15 since that is the date that school boards must request tax levies of the county auditor. The county auditors are required to reduce the requests for funds if they exceed the maximum amounts provided by law. There is no requirement to publish or post the school budget. The county auditor is required by law to carefully check the annual school budget of each school district to ascertain that the budget is within the legal debt limitations, receipts prescribed by law have been correctly anticipated, and bonding procedures are legally transacted.

State review or approval: There is no State approval of a school district budget.

Provisions for School Audits

The law provides that the school board of an independent district must have an annual audit made by a qualified accountant or accountants assigned by the State Department of Audits and Accounts. The report of the audit is made to the clerk of the district, and to the Controller of the Department of Audits and Accounts of this State. District boards may have private audits at any time. All private individuals who audit school district accounts must first be approved by the State Department of Audits and Accounts.

An audit of the books of any school district may be called at any time by the Controller of the State, the county superintendent of the county wherein the school district lies, the school district board, or the electors of the school district by petition signed by 20 percent of the resident taxpayers of such school district as shown by the assessment roll of the preceding year.

TENNESSEE

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

TENNESSEE PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. T. B. Webb, Coordinator, Finance and Administrative Services, Tennessee State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 56 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.
2. State funds for distribution to the public school systems are derived mainly from portions of the State sales and tobacco taxes which are earmarked for school support. For all practical purposes, State grant money other than the 87 percent from earmarked taxes is provided through legislative appropriation. Less than a half of 1 percent is from permanent school endowments.
3. About 91 percent of the total State allotment for elementary and secondary education is distributed through the foundation program.
4. Foundation program support includes amounts for administrators', supervisors', and teachers' salaries; for pupil transportation; and for other current expenditures. Program allowances include a base annual salary of $5,500 for a full-time teacher with a bachelor's degree, $10 per public school pupil transported at public expense, and additional amounts for other current expenses.
5. A capital outlay and debt service foundation program accounts for about 4.3 percent of the State support money for schools.
6. Five other State grant distributions account for the remaining 4 percent of the State support program. This support is for free textbooks, vocational education, hospitalized children, and sick leave for teachers, and special appropriation for kindergarten ($2,652,000 for initial stop in phasing in State-supported kindergarten).

LOCAL SUPPORT

1. County and local district revenue for public school support is principally derived from property taxes. However, about 29 percent of this income is from nonproperty taxes and other miscellaneous revenue sources.
2. Countywide taxes levied for the support of the public schools account for about 83 percent of the total county and local district public school revenue. About 67 percent of this county revenue is from property taxes. The balance is from motor vehicle, local option sales tax, cigarette and tobacco taxes, and other miscellaneous sources which provide general county revenue from which funds may be appropriated for school purposes.
3. The remaining 17 percent of the city and local district revenue for public school support is derived locally with about two-thirds obtained from property taxes and one-third from sources other than property taxes. Sources other than property taxes include income from taxes on alcoholic beverages, business gross receipts, local option sales tax, cigarettes and tobacco, motor vehicles, and public utility gross receipts. These nonproperty taxes are not levied specifically for the schools but portions of this revenue may be appropriated for public school purposes.
4. There is no specified general tax rate limit on public school levies for current school support, either by the county or by county, city, or special school districts.
5. Tax levies for debt service are separate from and in addition to other taxes levied for public school support.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances

Total	$246,180,300	(100.0%)
MINIMUM FOUNDATION SCHOOL PROGRAM (Current expense, grades K-12) (Ch. 439, Public Laws of 1971)	$224,540,000	(91.2%)

Salaries........................ Scheduled amount per allowed teacher employed:

Training level	Salary allowance Min.	Salary allowance Max.	Years to reach maximum
Less than 2 years	$4,160	$4,400	6
2 years	4,455	4,955	10
3 years	4,670	5,170	10
B.A.	5,500	6,550	15
M.A.	6,000	7,125	15
M.A. + 45 Qhrs.	6,500	7,625	15
Dr.	7,000	8,125	15

Teachers and principal-teachers.. Teacher-pupil ratio for regular ADA established by State Board of Education at State average of 1 to 23.7.

Pupil transportation............ $10 per pupil transported 1.5 or more miles for preceding school year. Same amount for each physically handicapped child but no mileage minimum. This amount deducted from $11,500,800 of combined State-local money for transportation. Any balance allocated to various equalizing counties in relation to ratio of average rural population per square mile in State to similar ratio for the county.

Other current expense allowance.. $500 per county for travel expense of county superintendent and county board of education.

Superintendent.................. A salary supplement for county and district superintendents is paid as part of minimum foundation program according to State salary schedule.

$450 travel expense for countywide full-time position and for each teacher of special education and of homebound children where teacher travel is required.

$2 per pupil ADA for instructional materials and health services.

$11 per pupil ADA for plant operation, maintenance services, fixed charges, and other expenses of general control.

Allowed costs of out-of-State tuition.

State and local shares for support of the calculated State program allowance

State share: Calculated amount of cost of Minimum Foundation Program minus local required contribution. State aid is prorated on a percentage basis of amount due if total amount provided is sufficient to meet calculated amounts.

Local share: Standard local contribution based on application of economic index of each county's taxpaying ability:

Index	
.105	County percent of State motor vehicle registration payments for 3 most recent years.
.069	County percent of State farms' products sold.
.136	County percent of State gainfully employed non-governmental workers.
.690	County percent of State retail sales tax collections for the 3 most recent years.
1.000	

The resultant index for each county multiplied by $18,910,166,430 is the estimated relative true market value of locally assessed property of the county, to which is added the valuation of public utilities.

Each county's percent of this total valuation multiplied by $18,120,000 is the required local share.

City and special school districts participating as equalizing districts in the equalizing counties must raise and expend for current expense for schools an added amount equal to a 1.5-mill levy on the taxable property of the district.

Counties and districts not meeting equalizing requirements do not receive State aid.

Public Law 874 receipts are not included in the local revenue counted in the foundation program.

Requirements for and extent of school district participation and schedule for distributing State aid

Requirements for participation: Pay salaries at least as high as specified in the State salary schedule; meet State standards; maintain at least 175 days school term plus 10 days of inservice training according to State-approved local plan. Provide 5 days as otherwise designated locally and give teachers 10 days' vacation with pay.

Equalizing counties must use State money for operation and maintenance as prescribed, and meet other requirements.

Extent of participation: All 147 county, city, and special districts participate as equalizing school systems.

Distributed: 1/9 distributed each month August 15 through March 15. Final payment made about June 1.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
MINIMUM FOUNDATION SCHOOL PROGRAM--continued			
Pupils in non-profit, private schools..........................	Pupils enrolled in private schools may not also be enrolled in a public school nor counted in determining the amount of State aid for this program. There are no services provided by the public school districts for such private school enrollment.		
CAPITAL OUTLAY FUND (Ch. 439, Public Laws of 1971)	$ 10,500,000 (4.3%)		
Capital outlay and debt service.. (for school sites, building construction and repairs, school and transportation equipment)	$19 per pupil in ADA.	State share: 57.5 percent of calculated amount. Each district receives the calculated amount minus the local share. Each city and special district receives a share of the State money in proportion to teaching positions maintained the preceding school year. Local share: 42.5 percent of calculated total amount is considered to be available from local sources. Each county's share of this amount is based on the county's share of the State total estimated true value of taxable property as established for the annual school program fund.	Requirements for participation: Amounts received from the State are to be placed in a special account and be expended for a plan approved for the district by the State Commissioner of Education. Extent of participation: All 147 county, city, and special districts. Distributed: In three installments of approximately a fourth on about August 1, a fourth on about January 15, and remainder on about April 15.
TEXTBOOK FUND (Ch. 439, Public Laws of 1971)	$ 4,725,000 (1.9%)		
Grades 1-12......................	$5.50 per pupil in ADA the previous school year. $10.50 per pupil of increased ADA for last completed school year over preceding school year.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Certify all public school children enrolled in the system. Furnish all required textbooks. Funds provided are to be used exclusively for purchase, repair, and rebinding of textbooks. Extent of participation: All 147 school systems. Distributed: On or about August 1.
VOCATIONAL EDUCATION FUND (Ch. 439, Public Laws of 1971)	$ 3,176,900 (1.3%)		
	Amount expended as per contractual agreement and application.	State share: 100 percent of approved amount as funds allow. The amount shown does not include the Federal funds provided for this program. Local share: All costs not covered by reimbursement.	Requirements for participation: Meet State standards and submit necessary applications and reports. Extent of participation: 133 school districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
VOCATIONAL EDUCATION FUND--continued			Distributed: In two payments, about half in December and balance after close of school year upon approval of reimbursement claim.
EXCESS COST FOR SPECIAL EDUCATION (Ch. 439, Public Laws of 1971)	$ 2,100,000 (.9%)		
Special transportation and other necessary expenditures.....	Excess cost of providing exceptional children's education including salaries of teachers employed in hospitals and convalescent homes. Excess cost is the per pupil expenditure for exceptional children above the average expenditure for other children.	State share: 100 percent of excess cost but not to exceed $300 per child per year. Local share: Per pupil amount similar to that provided for other children.	Requirements for participation: Provide necessary special instructional services, inservice training for teachers of such children, and submit appropriate applications for reimbursement. Extent of participation: 115 school districts. Distributed: As reimbursement on the basis of approved application at the end of the school term.
SICK LEAVE FOR TEACHERS' FUND (Ch. 439, Public Laws of 1971)	$ 1,138,400 (.5%)		
	50 percent of salary for substitutes. Expanded to include 2 days Personal or Professional Leave, Noncumulative.	State share: 100 percent of calculated allowance not to exceed $5 per day per substitute. Local share: Balance of cost for substitutes.	Requirements for participation: Employee substitute teachers in place of teachers on sick leave. Extent of participation: 145 school districts. Distributed: Near the close of the school year after claims are presented and verified.

TENNESSEE

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessment: Property valuations for tax purposes are established by local assessors who are elected by the people. The county board of equalization has the authority to correct assessments under provisions of the law and the State Board of Equalization has authority to adjust valuation for the purpose of making them more equitable on a statewide basis.

Intermediate districts: Approximately 67 percent of the county revenue for public school support is from property taxes. The remaining 33 percent appropriated from county nonproperty taxes on motor vehicles, cigarettes, tobacco, local option sales tax, and from various miscellaneous sources.

Counties which participate in the State Annual School Program Fund as equalizing counties must have one school tax for current expense purposes including pupil transportation for grades 1-12. Other counties may have a separate tax for pupil transportation in addition to a levy for current expense purposes. Levies for debt service for county school purposes are in addition to the current expense levies in both equalizing and nonequalizing counties. County revenue accounts for about 83 percent of the total revenue from county and local district sources.

Local districts: The remaining 17 percent of intermediate and local district revenue for public school support is obtained from property taxes levied specifically on each district's taxable property for each respective district and from nonproperty taxes on alcoholic beverages, business gross receipts, cigarettes and tobacco, motor vehicles, and public utility gross receipts. About two-thirds of these receipts are from property taxes, In general, there is no specified maximum tax rate for county and local property taxes but local property taxes are often limited by special acts of the legislature applicable to a particular district.

Provisions for School Indebtedness

Authorized bond issues: School bond issues are authorized by the county or city fiscal body rather than by the board of education.

Limitations on issuance of bonds: The general law provides that the county school bonds shall be due and payable in not more than 40 years from the date of their issuance. Both serial and sinking fund bonds may be issued.

Limitations on debt: Under statutory law, school bonds may be issued by a county for school capital outlay purposes up to the total amount of the local assessed valuation. In addition to this law, but in no way limited by it, are two public works acts, one for counties and one for municipalities, under the authority of which bonds may be issued for school purposes without dollar limitation and without a referendum vote, provided certain other requirements are met. Among such other requirements is one that no vote of the qualified electors upon a proposition for the issuance of such bonds by a county or municipality shall be necessary if the initial resolution is adopted by a majority of the members of the governing body of such county or municipality, unless within 10 days from the date of the publication or posting of the initial resolution, so adopted, a petition signed by at least 10 percent of the qualified electors of the county, or 10 percent of the qualified electors of the municipality, shall have been filed with the clerk of the county, or the clerk or mayor of the municipality protesting the issuance of such bonds.

In addition to these authorizations, counties or municipalities may issue bonds for school capital outlay purposes when authorized by a special act of the Legislature.

Voting requirements: If the legislature by special act authorizes a county or a city to issue bonds for school purposes, the legal requirements included in such special act control the issuance of the school bonds. Such special act may authorize the fiscal body to issue bonds without a referendum vote or it may provide for the issuance of bonds only after voter approval.

Approval and sale of bonds: Under the general statutes, no State agency is required to approve the bonds. No interest maximum on bonds except constitutional limit of 10 percent. It is not required that bonds be offered fir to the retirement system or to any other State agency and the State does not assist with the sale of bonds. Funds from the sale of bonds may be invested until needed.

Bond records, tax levies, and payments: When bonds are issued for count school purposes, the obligation is that of the quarterly county court and not the county board of education. Therefore, any tax levied for the liquidation of indebtedness is in the form of a special levy over and above the school ta levy. The quarterly county court is responsible for maintaining the bond records and for the payment of the bonds. In the case of cities and special school districts, the procedure must be compatible with the provisions of the city charter or the special act of the Legislature governing the special scho district.

Short-term indebtedness: County boards of education are not authorized borrow funds in anticipation of the current revenues. Such funds, however, ma be borrowed by the quarterly county court on short-term notes in an amount not to exceed the unexpended balances in the school budget, and not to extend bey the end of the fiscal school year. Indebtedness which cannot be paid during current school fiscal year may be refunded, if properly authorized. Indebtedness procedures for cities and special school districts depend upon their city charter or special statutory provisions.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budget forms for all counties, cities, and special school districts are prescribed and furnished by the State Commissioner of Edu cation. The regular school fiscal year covers the period of July 1 through June 30.

Local approval: All budgets after being prepared by the county, city, or special district school officials are required to be submitted to the county, city, or special district fiscal authorities for approval of each item in the budget, as well as of the total. Budget approval by the local board is required prior to the meeting of the county court in April. There is no provision for publishing or posting the school budget. No intermediate school district has authority over local budgets.

Provisions for School Budgets--continued

State review or approval: Budgets are not required to be approved by any State agency, although a copy must be submitted to the State Commissioner of Education on State forms within 30 days after the beginning of the fiscal year for which the budget is made.

Provisions for School Audits

Under general statute, the State comptroller is required to audit the county school funds annually. However, the audit may be made by an independent certified public accountant, provided the audit meets the minimum standards established by the State comptroller and approved by the Governor. Audits of city school funds must be in keeping with the provisions of the respective city charters.

TEXAS

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

TEXAS PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. P. E. Hutchinson, Director, Finance Division, Texas Education Agency, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 47 percent of non-Federal revenue for elementary and secondary schools, excluding county and local revenue receipts, is provided by the State.
2. Foundation program support, exclusive of allowances for Available School Fund receipts, accounts for about 58.2 percent of the State support program for the public elementary and secondary schools.
3. Educational support under the foundation program allows a salary minimum of $6,000 per classroom teacher unit staffed by a beginning teacher with a bachelor's degree plus $660 for other current expenses. Amounts for special instruction, special service, supervisory, and administrative personnel salaries and for the cost of pupil transportation are added to the classroom teacher unit allowance to determine the total allowable program cost.
4. Over 33 percent of the State grant money is allotted at the rate of $130.10 per prior year's average daily attendance for current expense purposes and 2.5 percent is used to purchase textbooks for distribution to the school districts.

LOCAL SUPPORT

1. School support from county and local taxes, for all practical purposes, is provided from property taxes.
2. No county or local nonproperty taxes are presently used or authorized to be used for county or local school district support. However, a small amount of county revenue distributed to the school districts is obtained from earnings of county permanent funds.
3. Under certain conditions, a countywide property tax of up to 2.5 mills may be levied for equalization purposes.
4. Required tax levies for participation in the State Foundation School Program Fund are determined for each school district in relation to the district's share of the valuation of taxable property in the county and the county's index of taxpaying capacity.
5. Maximum tax rates for school districts may be either 15 mills in the aggregate for both current expense and debt service or 15 mills for current expense if bonded indebtedness is 7 percent or less of the district's assessed valuation of taxable property. In the latter case, the necessary tax levy for debt service is in addition to the levy for maintenance and operation.
6. School district indebtedness is limited to 10 percent of the local assessed value of taxable property or up to such level as can be financed by a 5-mill tax levy.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances

Total	$979,581,000	(100.0%)
FOUNDATION PROGRAM FUND (Ch. 16, Texas Education Code, 1971)	$642,109,000	(65.5%)

Foundation Program based on average daily attendance (ADA) calculated teacher units and transportation allowances, minus local share. Foundation program allowances are determined by calculating the difference between the allowable cost of the foundation program and the sum of the local revenue to be provided.

Amounts for instructional staff salaries and general operating expenses are calculated on the basis of the number of teacher units, established according to the districts' ADA for the preceding year. Adjustments are made for small isolated schools and for certain rural high school districts. Classroom teacher units are determined as follows:

Average daily attendance	Number of teacher units
15 - 25	1
26 - 109	2 for the first 26 pupils and 1 for each additional 21 pupils. No credit for fractions.
110 - 156	6
157 - 444	1 for each 24 pupils or fraction in excess of .5
445 - 487	19
488 and over	1 for each 25 pupils or fraction in excess of .5

Teacher units are also authorized for other types of instructional and supervisory services. Except for variations due to special circumstances, these allowances are as follows:

Kind of additional unit	Number allotted
Vocational teachers...	2 for each accredited 4-year high school, plus others as approved.
Special service teachers......	1 for each 20 approved classroom units.

State and local shares for support of the calculated State program allowance

State share: State share is determined by subtracting the local effort from the cost of the foundation program.

Local share: The yield from the required tax levy which is determined by an index of taxpaying capacity, used as a means of obtaining the equivalent of uniformity in assessment practices.

The total local revenue which all school districts were required to provide for the 1971-72 foundation program was $210,085,000 (17.7 percent).

Requirements for and extent of school district participation and schedule for distributing State aid

Requirements for participation: Districts must pay teachers' salaries that are at least as high as those authorized in the State salary schedule, purchase buses through the State Board of Control, levy taxes sufficient to provide the revenues required by the index of taxpaying capacity, and meet certain other standards prescribed by law and by regulations of the State Board of Education. For full participation, districts must operate schools for a term of 10 months.

Districts which have fewer than 15 pupils in ADA are not entitled to a classroom unit unless specifically found to be isolated.

Extent of participation: 1,166 school districts.

Distribution: Monthly.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
FOUNDATION PROGRAM FUND--continued			
Kind of additional unit	Number allotted		
Exceptional children teachers..	Allotted as needed.		
Supervisors or counselors.....	1 for the first 40 classroom teacher units; 1 for each added 50 classroom teacher units or major fraction.		
Principals.......	1 for the first 20 classroom teacher units; 1 for each added 30 classroom teacher units.		
Superintendents..	1 for each district maintaining 1 or more 4-year high schools.		
Instructional salaries..........	Annual salaries for a ten-month term for certified teachers holding a Bachelor's Degree range from $6,000 to $8,050. Master's Degree salaries range from $6,600 to $9,310.		
Supervisors and counselors......	Annual salary based on degree and experience and ranges from $7,200 to $11,180 annually.		
Principals......................	Full-time principals are paid for an 11-month period. Salaries are based on degree, experience, and the number of teachers supervised and range from $8,580 to $12,639 annually.		
Superintendents.................	Superintendents' salaries are for 12 months and vary with experience and students in ADA in the district. Annual salaries range from $10,800 to $24,132.		
Other current expense...........	An allowance of $660 for each classroom unit is provided for current expense other than professional staff members' salaries and pupil transportation. An additional $400 is allotted per Vocational Teacher Unit.		
Pupil transportation............	The amount for pupil transportation is determined in relation to the number of pupils transported, the miles traveled, and the condition of the roads. Annual allowances, established in relation to		

STATE SUPPORT, 1971-72 TEXAS

Provisions for the distribution of State funds for the public schools and for program participatio

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
FOUNDATION PROGRAM FUND--continued	a standard daily route of 45 to 50 miles of which 60 percent are surfaced roads, range from $2,196 for a 15-19 capacity bus to $3,276 for a 72 capacity bus. Allowance only made for children transported who live 2 or more miles from school. Percentage increases are made for dirt roads above the 40 percent and percentage increases and reductions are made for mileage traveled 55 miles per day and less than 45 miles daily travel.		
AVAILABLE SCHOOL FUND (State Constitution, Art. VII, Sec. 5 and Art. 2833 of the State Laws)	$313,447,000 (32.0%)		
Current expense, grades 1-12....	This fund is distributed to independent districts individually and to counties for distribution to common school districts, provides $130.10 per pupil in average daily attendance the prior school year.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: School districts must take a school census annually in January and submit required reports to the State Education agency. Extent of participation: 1,166 school districts. Distributed: Monthly.
STATE TEXTBOOK FUND (Sec. 3, Art. VII, Laws of 1917)	$ 24,025,000 (2.5%)		
Grades K-12....................	Books are provided within the allotment for each district as requisitions are filed. Allotment is based on the number of pupils enrolled in the school district.	State share: 100 percent of calculated book amount. State buys and distributes books. Local share: None.	Requirements for participation: Districts must request books from a State-adopted list and file necessary requisitions and reports. Extent of participation: 1,166 school districts. Distributed: Books available at beginning of year.

TEXAS

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: The county tax assessor-collector in each county, an elected official, certifies to the State Commissioner of Education the assessed valuation, on a State and county valuation basis, of all property subject to school district taxation in each school district and the valuation of all property subject to the school district taxation in the county. Property is also assessed by the school district assessors who are appointed by the board in the school district. Neither assessment is supervised by the State. The county commissioners' court has the authority to change property assessments as reported by the county tax assessor-collector for ad valorem tax purposes. This body does not have authority to change property assessments for school support established by a school board or local trustees.

Intermediate districts: Investment of the $24,466,000 principal of the County Permanent School Fund produced an estimated revenue of $925,000 in school revenue for 1971-72. Also, under certain conditions, a countywide equalization tax of up to 2.5 mills may be levied when authorized by countywide election. Revenue from this source is to be distributed among the districts of the county on a child-in-average-daily-attendance-the-prior-school-year basis.

Local districts: Two statutes govern the amount of tax a school district may levy. Subchapter B, Chapter 20, Texas Education Code, 1971, provides that a district may vote a maximum tax of 15 mills on local assessed valuation. Not more than 5 mills of the aggregate tax of 15 mills may be used for bond purposes. For many years, this statute has been the one under which the majority of school districts operated.

By vote of the qualified electorate, a school district may elect to operate under a recent statute, Subchapter B, Chapter 20, Texas Education Code, 1971, which provides a maximum tax for maintenance and operation of 15 mills, but bases the amount of tax that can actually be levied upon the existing bonded debt of the district. Under this subchapter, the maximum local maintenance rates which may be levied annually must conform to the following schedule:

Bonded indebtedness (percent)	Maximum millage permitted
7 or less............................	15
7 to 8...............................	14
8 to 9...............................	13
9 to 10..............................	12

There are no other local tax sources for public school support.

Provisions for School Indebtedness

Initiating bond issues: Bond issues to purchase school sites, to construct and equip new buildings, and to remodel buildings must be initiated by a petition signed by the voters.

Limitations on issuance of bonds: All bonds are required to be serial in nature and may be issued for a period not to exceed 40 years.

Limitations on debt: There are two different plans for bonds. Under one statute for capital outlay purposes, a school district may issue bonds and levy ad valorem taxes in an amount sufficient to pay the interest and principal on all bonds issued for such purposes, provided that bonds do not exceed 10 percent of the local assessed value of taxable property in a school district. According to another statute, school bonds may be issued for capital outlay purposes up to the extent that a 5-mill tax levy will finance the debt service. A State agency has the authority to approve a higher limit in special cases and to fix the debt limit.

Voting requirements: School bond issues must be approved in a special election by favorable vote of a majority of the property owners who participate in the election.

Approval and sale of bonds: Bond issues must be approved by the State Attorney General, after the election, to certify the legality of the issue and the districts ability to meet the obligation. Bonds are usually sold on a fixed-interest basis determined so as to make it possible to sell the bonds at par or slightly above. Bonds must first be offered to a State agency but the State does not assist with the sale of bonds. Proceeds from the sale of bonds may be invested until needed.

Bond records, tax levies, and payments: School officials keep all bond records and determine the levies necessary to be made for retiring bonded indebtedness. Under one bond plan provided in the statutes, the maximum current levy is reduced by the percentage of outstanding indebtedness. Under another statute, a district may not levy more than 5 mills a year for debt service, and this must come within the overall 15-mill limitation on taxes authorized for school districts. The State cannot invest in school district bonds when in excess of 7 percent of the taxable valuation of the issuing school district.

Short-term indebtedness: School boards are authorized to borrow funds in anticipation of revenues included in the budgets, but such loans cannot exceed the receipts which can reasonably be anticipated to be received during the year. Such loans are expected to be repaid before the close of the fiscal year. There is no provision for pledging receipts of any subsequent year for current operating costs.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budget forms are prescribed and provided by the State Education Agency. Both the State and school fiscal years begin September 1 and end August 31. The fiscal year of some of the cities differ from the State fiscal year. School budgets are prepared by local school officials.

Local approval: The local school board must make provision for an open hearing and following that hearing, adopt the budget. The budget must be approved by the local board by August 20. No other local governmental agency

Provisions for School Budgets--continued

is responsible for reviewing school budgets or has authority to make any changes. Taxes must be levied as certified by the school board or as voted by the people. There are a few municipal districts in which the budget has been customarily submitted to the municipal authorities for review. In most cities, there is no authority in the law for such review.

State review or approval: All local school systems are required to file a copy of their budget with the State Commissioner of Education for review and information. The Commissioner is responsible for seeing that budgets are properly prepared and for giving such suggestions for improvements as he considers appropriate. Copies are filed by November 1 with the county clerk and the State Commissioner of Education.

Provisions for School Audits

All school districts must have an annual audit made of their fiscal accounts. This audit is to be performed by a Texas certified or public accountant holding a permit from the Texas State Board of Public Accounting and is at district expense.

UTAH

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

UTAH PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Howell Lee Cannon, Coordinator, School Finance, Utah Board of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 55* percent of the non-Federal revenue for maintenance and operation of public elementary and secondary schools, including State grants and local district revenue receipts, is provided by the State.

2. The major portion of State grants for the public schools is obtained from earmarked taxes, which include the corporation franchise tax, individual income tax, portions of the cigarette taxes, State property tax, unclaimed property, and other miscellaneous income in addition to appropriation by the legislature from the State General Fund.

3. Approximately 11 percent of the State Minimum School Program is from appropriated funds, and the remainder from earmarked taxes.

4. The Minimum School Program support assures each school district of funds to finance an operating program at $9,120 per distribution unit on a 16-mill levy plus $2.65 per pupil mile of transportation. An additional $212 per distribution unit per mill is guaranteed to districts that levy an additional 12 mills at the discretion of the local board. Another $110 per distribution unit for each mill levied is guaranteed to those districts which by vote of the people authorize the board to make an additional levy from 1 to 10 mills.

5. In addition the State supports 14 special purpose programs through categorical aids.

LOCAL SUPPORT

1. Approximately 97 percent of the locally derived revenue for maintenance and operation of public elementary and secondary schools is provided from property taxes. The remainder of local support is from interest earned on district-owned investments and bank deposits, rentals, and fees.

2. There are no nonproperty taxes authorized for levy by local school districts.

3. All school districts are required to levy a 16-mill property tax for the "basic" portion of the Minimum School Program. An additional 1- to 12-mill tax may be levied for the State-supported "leeway" portion. In addition, a levy of 1 to 10 mills may be levied when authorized by a vote of the people for the State-supported "voted leeway portion". If the 16 mills on the basic produce more than the amounts specified in the provisions of the State Minimum School Program, the overcollection is paid to the State and becomes an item of State revenue for the Uniform School Fund.

4. Local district-bonded indebtedness for school facilities is limited to 4 percent of the State equalized-assessed valuation of taxable property. By law, all taxable property must be assessed at 30 percent of its reasonable fair cash value.

5. Taxes for capital outlay and debt service are in addition to those required and authorized for school operating expenses.

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*NEA estimate.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total	(Est.) $128,516,634 (100%)		
STATE-SUPPORTED MINIMUM SCHOOL PROGRAM (Title 55, Chapter 7, Utah Code Annotated, 1953, as amended)	The State-supported Minimum School Program provides for kindergarten, elementary, and secondary schools. It is composed of three main categories or funding levels and ten supplemental categorical parts.		
Main Categories			
Basic State-Supported School Program (Category I)	(Est.) $ 92,773,578 (72.2%)		
	The Basic State-supported School Program guarantees to each school district an amount of money equal to $9,120 for each distribution unit (D.U.) allowed to the district plus an allowance for pupil transportation. The pupil transportation allowance is calculated at $2.65 per annual average daily pupil mile pupils are actually transported or an amount equal to 65 percent of the approved pupil transportation costs of the district. Each district may elect to receive either of these alternate allowances for transportation. Participation in this part of the program is mandatory for all school districts. All are required to levy a 16-mill local property tax as the local contribution. If the 16-mill property tax rises in excess of the cost of the Basic Program, the excess is paid to the State Uniform School Fund.	State share: The State's contribution to the basic State-supported program of any district is calculated as follows: $9,120 times the number of D.U.'s in the school district plus the district's allocation for pupil transportation minus the yield of the 16-mill local property tax. The remainder is the State's contribution. At this level the funds available to the 40 school districts are completely equalized. Local share: Each district must levy a 16-mill local property tax and contribute the yield of the levy as its contribution to the cost of the basic school program.	Requirements for participation: In order to participate in the State-supported Basic School Program, a school district is required to: (a) Employ only legally certificated teachers. (b) Adopt salary schedules for payment of its employees, file copies of the schedules with the State Board of Education and comply with the schedules in determining salaries for individuals employed. (c) Provide transportation or make a reasonable provision toward transportation of all pupils living more than 2 1/2 miles from school. A district may transport and report the transportation for State subsidy any secondary school pupil living more than two miles from school and any elementary or kindergarten pupil living 1 1/2 miles or more from school. (d) Employ such supervisory and administrative employees to assist the superintendent as the State Board of Education will approve. (e) Spend for educational supplies and equipment an amount at least equal to minimum requirements set by the State Board of Education. (f) Provide for health instruction and health inspection. (g) Conduct a nine-month school term. (Interpreted as at least 180 actual teaching days). Extent of participation: All 40 districts are required to participate in the basic State-supported program.

STATE SUPPORT, 1971-72

UTAH

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Basic State-Supported School Program (Category I)--continued		Distributed: September, 5 percent; October, 5 percent; November, 10 percent; December, 10 percent; January, 5-10 percent; February, 10 percent; March, 10 percent; April, 15 percent; May, 10 percent; June, 10 percent; and July, the balance.
State-Supported Board Leeway Program (Category II) (Est.) $ 12,623,354 (9.8%) The State-supported Board Leeway Program authorizes school districts to levy, by resolution of the Board of Education, any part of an additional 12 mills of local property taxes for operation and maintenance of the schools. This levy must be imposed in equal mill amounts. For each such mill levied, the State guarantees $212 per distribution unit in the district. That is, if one mill does not raise an amount of money equal to $212 times the number of distribution units in the local school district, the State will pay the difference from the Uniform School Fund.	State share: The State's share for a local district is calculated as follows: $212 times the number of D.U.'s in the district times the number of mills levied by the local school district under this authorization (but not in excess of 12 mills) minus the yield of the local property tax levy. Local share: The yield of whatever local property tax levy the Board of Education makes under this program. (If the local property tax levy yields an amount in excess of $212 per distribution unit per mill, the local school district keeps this excess amount).	Extent of participation: All 40 school districts will levy a property tax under this program. All except two will levy the full 12 mills authorized. Approximately 33 districts will receive some State funds. The remaining seven will raise, with their own property tax, an amount in excess of $212 per D.U. per mill levied.
State-Supported Voted Leeway Program (Category III) (Est.) $ 1,107 (0%) The State-supported Voted Leeway Program authorizes a school district to levy with the approving vote of its electors not to exceed an additional 10 mills local property tax for operation and maintenance. The State guarantees this program at $110 per distribution unit per mill levied. If a district's local property tax levy yields in excess of $110 per D.U. per mill, the district may keep this excess amount.*	State share: The State's share is calculated as follows: $110 times the number of distribution units in the district times the number of mills levied minus the yield of the local levy. Local share: The local share is the yield of the property tax levied.	Extent of participation: Ten school districts will impose a levy under this authorization; however, no more than two will receive any State funds. All the remainder will raise in excess of $110 per distribution unit per mill with the local property tax.

*NOTE: The local levies authorized in Categories I, II, and III are separate and additive. No one of them is included in either of the others.

All districts must levy the basic levy of 16 mills. Any district may, by resolution of the Board of Education, levy not to exceed 12 mills under the State-supported Board Leeway Program.

Any district may, with the approval of its voters, levy not to exceed 10 mills under the State-supported Voted Leeway Program. Hence, the maximum local levy for operation and maintenance is 16 mills plus 12 mills plus 10 mills or 38 mills.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
MEASUREMENT OF EDUCATIONAL LOAD The additional need or the size of the school districts is measured and expressed in terms of distribution units. These units (approximately the same as classroom units more commonly used) are based largely upon average daily attendance and special program needs of the district. The distribution unit is calculated as follows: (1) Kindergarten--one D.U. for each 50 ADA. In schools that do not operate a winter kindergarten, the Board of Education may provide a summer kindergarten for a term not to exceed nine weeks. Aggregate days attended from the summer kindergarten are equated into school year ADA and subsequently into D.U.'s. (2) Grades 1 to 12--one D.U. for each 27 ADA. In items 1 and 2 all students attending the schools are counted with these exceptions: (a) Students enrolled in full-time programs for handicapped. (b) Students who are 22 years of age or older. (c) Students who have graduated from high school. (3) Upon application, the State Board of Education may grant additional D.U.'s for necessarily existent small schools. The State Board develops guidelines and standards for such approvals. No more than 210 D.U.'s may be awarded under this provision during 1971-72. To encourage school districts to consolidate small schools, they may, during the two years immediately following consolidation, with the approval of the State Board of Education, receive the same number of D.U.'s for the consolidated school that they would have received had the consolidation not taken place.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
MEASUREMENT OF EDUCATIONAL LOAD--continued		
(4) Upon application, the State Board of Education may grant additional distribution units for special programs for handicapped children. No more than 1,220 D.U.'s may be awarded under this provision during 1971-72. This statewide total has been growing at approximately 95 D.U.'s per year.		
(5) For professional, non-teaching personnel a district is awarded: (a) One distribution unit for the superintendent, and (b) One distribution unit for each nine D.U.'s calculated under items 1, 2, 3, and 4 above. The number of D.U.'s awarded under this item in any district may not exceed the number of properly certificated, non-teaching, professional personnel employed by the district.		
(6) Upon application, the State Board of Education may grant additional distribution units to pay the excess costs of vocational and technical education in the secondary schools. The total number of distribution units so awarded statewide may not exceed 2 percent of the distribution units calculated under items 1, 2, and 3 above on a statewide basis. The 2-percent limit does not apply to individual districts.		
(7) Upon application, a district may receive not to exceed 1/3 D.U. for each full-time summer program in vocational home economics or vocational agriculture conducted by the district. The State Board of Education approves standards and guidelines for these programs.		
(8) To avoid penalizing a district for epidemics or other factors beyond its control, an adjustment may be made in any year when the percentage of average daily attendance in its schools drops more than 2 percent below the average of the highest two of the preceding three years.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SUPPLEMENTAL PROGRAMS		
Retirement & Social Security (Utah Code Annotated, 1953, Vol. 5B, 49-10-20) (Est.) $ 13,694,421 (10.7%)		
The actual cost of the employer contribution required by local school districts under the provisions of the Utah Employees' Retirement Act. The amount is 4.5 percent of total wages paid to members. The actual cost of the employer contribution required by local school districts under the terms of the Federal Social Security Act. The amount will be 5.2 percent in January 1972, of total wages paid to all employees, limited to $9,000 for any one person.	State share: 100 percent of calculated amount. Local share: None.	Extent of participation: 40 school districts. Participation is mandatory for all districts in the State retirement system and in the Federal social security system.
Extended Year, Extended Day & Summer Program $ 600,000 (.5%)		
This fund is appropriated to the State Board of Education for allocation to local school districts on the basis of a formula adopted by the State Board of Education. The formula prorates the fund to the districts on the basis of the number of distribution units in each district calculated under items 1, 2, and 3 of the D.U. formula or definition. It is estimated that the amount available per D.U. in 1971-72 will be $58.00. The funds may be used by local school districts to extend the length of the regular school day, extend the length of the regular school year, for summer school programs, or for any combination of these purposes.	State share: 100 percent of calculated or prorated amount. Local share: None. However, a school district may add local funds if it so desires. Most districts do so.	Requirements for participation: A school district must submit a plan to the State Board of Education outlining the proposed expenditures, the type of program to be conducted and the objective to be accomplished, and file reports at the completion of projects, etc. Extent of participation: All 40 school districts. Distributed: See payment schedule under Category I.
Libraries & Instructional Media Centers $ 500,000 (.4%)		
The $500,000 fund for libraries and instructional media is appropriated to the State Board of Education for allocation to school districts under a formula adopted by the State Board for the purpose of improving instructional media programs in local school districts.	State share: 100 percent of calculated or prorated amount. Local share: None. While there is no requirement, all districts do add other funds to their budgets for media centers.	Requirements for participation: A school district must submit a plan to the State Board of Education outlining the proposed expenditures, the type of program to be conducted, and the objectives to be accomplished. A district may not decrease its expenditure for media centers below the amount spent in the preceding year, except with approval of the State Board of Education. Extent of participation: All 40 school districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Libraries & Instructional Media Centers--continued		
The formula allocates money to the school district on two bases: (a) A district will receive $350 for each regular full-time day school in operation in the district, and (b) The money remaining in the fund after satisfying the requirements of item (a) are prorated among the school districts on the basis of the number of distribution units allocated to each school district under items 1, 2, and 3 of the distribution unit formula. It is estimated that approximately $27 per D.U. will be available for allocation under this part of the formula for 1971-72.		Distributed: See payment schedule under Category I.
Statewide Data Processing $ 500,000 (.4%)		
The $500,000 fund for statewide data processing is appropriated to the State Board of Education for development and implementation of a statewide data processing system to serve the 40 school districts and the office of the State Superintendent of Public Instruction. The State appropriation is administered by a division in the office of the State Superintendent, and none of it is allocated to local districts. The expenditures were used initially to develop software for data processing programs and to rent data processing equipment. The following programs or services are now offered to local school districts: (a) A pupil personnel services package has been developed that includes these five parts: (1) Class scheduling (2) Attendance recording (3) Grading (4) Testing (5) Census	State share: $500,000. Local share: $1.40 per student for total pupil data service package, or a lesser amount for a sub-part of the pupil data package. Charges to the districts for the fiscal data service are proportional to district size and needs.	Requirements for participation: A district must be willing to pay the indicated data processing service charges. Extent of participation: Pupil data services or some part thereof - 31 districts. Fiscal data services - 9 districts. Distributed: Quarterly.

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Statewide Data Processing--continued The system has also developed a fiscal services package which includes: (1) Payroll (2) Accounts Receivable (3) Budgeting (4) A vendor file These services are offered to local districts at a cost below the rate that would be charged for similar services by a private firm. The difference is made up by allocations from the special appropriation.		
Educational Television $ 100,000 (0.1%) This fund is appropriated to the State Board of Education for the development and production of educational television programs for broadcast over E.T.V. stations to schools over the State. The fund is used to employ staff members and buy equipment and materials for their use in program production. Some funds are also used to buy contract productions by commercial film companies.	State share: 100 percent of the cost. Local share: Local districts are invited voluntarily to contribute 15 cents per pupil in ADA to add to the television production budget. Most districts make this contribution.	Requirements for participation: Participation is voluntary as is the per student charge. Extent of participation: 36 districts. Distributed: Semiannually
Community Schools Program $ 250,000 (0.2%) The fund for community school programs is appropriated to the State Board of Education with the legislative direction that the Board develop a formula for allocation of the fund to local school districts. For 1972 the fund will be allocated on two bases: (a) Each district will receive a basic allocation of $1,000. This will use $40,000 of the fund. (b) The remaining $210,000 will be prorated among the districts on the basis of the number of D.U.'s allocated to the district under items 1, 2, 3, and 4 of the distribution unit definition. It is estimated that the allocation for fiscal 1972 will be $20 per D.U.	State share: 100 percent of the calculated or prorated amount. Local share: None. Nearly all districts add other funds to the budget for this program.	Requirements for participation: The school districts must submit their proposed program to the State Board of Education for approval. Extent of participation: 40 districts. Distributed: See payment schedule under Category I.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Regional Service Units	$ 160,000 (0.1%) This fund is appropriated to the State Board of Education for subsidizing regional service centers organized and operated by school districts. Any regional group of school districts in the State may organize such a center and apply to the State Board for part of the appropriation. At the present time, four such units are in operation and each will receive $40,000 from the State fund. These units are located generally among smaller rural districts and provide for them on a free or part-pay basis services of various kinds which the districts are too small to provide for themselves.	State share: 100 percent of the funds provided by the legislature. Local share: None required. Districts included in areas served by regional units usually do contribute to the center an agreed amount or buy from the center at a less than total cost basis services which the center has available.	Requirements for participation: Any group of districts wishing to establish a regional service unit must submit their application to the State Board of Education for approval. Thereafter funds have to be allocated by the State legislature before the regional unit can be organized and begin functioning. Extent of participation: 4 units -- 26 districts. Distributed: Semiannually.
Teacher Leadership	$ 800,000 (.6%) The teacher leadership fund is prorated among the school districts on the basis of the number of distribution units each district has as computed under items 1, 2, and 3 of the distribution unit definition. The estimated amount per D.U. for 1971-72 is $77. The State Board of Education is directed to establish standards and guidelines for the operation of this program. Its purpose is to encourage districts to use teacher leadership to improve the quality of education as well as to reward teachers for outstanding service. Boards of education may pay selected teachers an amount over and above their regular contract salary (the amount must be at least 7 percent above the regular contract salary) for purposes related to the improvement of education in the district or in recognition of outstanding teaching service.	State share: 100 percent of the calculated or prorated amount. Local share: None.	Requirements for participation: The school district must prepare and submit to the State Board of Education for approval a teacher leadership plan that meets the guidelines and standards established by the State Board of Education and includes a budget covering the expenditure of the district's apportionment. The money may not be used for any purpose except to pay the teachers selected under the leadership program an added salary amount. Extent of participation: 40 school districts. Distributed: See payment schedule under Category I.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Career Development Programs $ 225,000 (0.2%)		
The fund for career development programs is appropriated to the State Board of Education for allocation to selected school districts for operation of programs proposed by the districts and approved by the State Board of Education. The State Board is directed to develop guidelines and performance criteria for programs proposed by local school districts. The program is intended, on an experimental basis, to place drop-outs or potential drop-outs into jobs or into vocational or special training that will fit them for vocational placement.	State share: Up to 100 percent of the cost of approved programs. Local share: None required. Districts may, and most selected districts do, add some local money for projects under this item.	Requirements for participation: Districts submit the proposed program to the State Board of Education for approval. Extent of participation: 11 districts. Distributed: See payment schedule under Category I.
Experimental Programs $ 55,000 (0%)		
This fund is appropriated to the State Board of Education for allocation to school districts for total or partial funding of experimental programs proposed by local school districts. The programs selected for funding under this appropriation must be focused on prioriy problems established by the State Board of Education.	State share: 100 percent of the allocated amount. Local share: None required. Districts do use local funds to expand budgets of projects.	Requirements for participation: School districts must submit their proposed experimental programs to the State Board of Education for approval. Extent of participation: 6 districts. Distributed: See payment schedule under Category I.
VOCATIONAL EDUCATION FUND $ 2,436,680* *(Not included in fund total. These funds are part of Category I and Category II money.)		
This fund includes State and local money generated by the distribution units for vocational education as defined in item 6 of the distribution unit definition. The entitlement for each school district under this appropriation is determined by a formula that recognizes the numbers of students in the secondary schools of the district, the numbers of students enrolled in vocational programs, the current rate of unemployment in the district, etc. In order to actually receive funds for expenditure, a district must submit program proposals and budgets for approval by the State Board of Education. These monies may be used only to pay the excess costs of vocational programs for secondary school students.	State share: All money from the special vocational education fund is allocated by the State to local school districts to pay the excess costs of vocational education. Excess costs are defined as those costs over and above the amount that can be met with the local share described below. Local share: The local school districts contribute to the cost of vocational education the monies they would receive from regular distribution units based on ADA of students in vocational courses under Categories I and II.	Requirements for participation: Establish vocational programs of less than college degree level for vocational agriculture, distributive education, consumer and homemaking, trades and industries, health occupations, office occupations, technician training, and special programs. Other requirements include: (a) Instructors meet the minimum provisions of the State plan as to qualifications. (b) Local districts provide adequate facilities for the training. Extent of participation: 40 districts. Distributed: There is no set payment schedule. Allocation of funds to a district based on approval of its program by the Utah State Board of Education.

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
DRIVER EDUCATION FUND (Title 41, Chapter 1, Utah Code Annotated, 1953, as amended) $ 890,000 (.7%) The driver education fund, which includes the yield of a special tax of $1.25 on each motor vehicle registered in the State minus the cost of collection of the tax, is appropriated to the State Board of Education for promotion of automobile driver education in the State. A limited amount of the fund is used for State administration and the remainder is allocated to the 40 school districts and to the State Industrial School on a reimbursement basis for their costs of the behind-the-wheel phase of automobile driver education programs. The amount of reimbursement to any school district may not exceed any of these three limits: (a) The amount actually expended by the district for costs of the behind-the-wheel phase of automobile driver education; (b) The average cost per pupil among all school districts in the State for such training during the preceding year; or, (c) $35 per pupil trained. Whenever the total amount of money in the fund will not cover the reimbursement to which districts and the State Industrial School are entitled, the money available is prorated among the districts and the Industrial School. The State Board of Education prescribes standards and regulations for the conduct of these programs.	State share: 100 percent of the program costs up to the limits described. Local share: All costs in excess of the State reimbursement available to the district.	Requirements for participation: A school district must provide automobile driver training programs that meet the standards established by the State Board of Education. These deal with the material to be covered, the length of time to be used in the theory part of the course as well as in the behind-the-wheel part of the course, the qualifications of teachers to be employed, etc. Extent of participation: All 40 school districts and the State Industrial School. Distributed: Biannually on a reimbursement basis.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL LUNCH FUND (Title 53, Chapter 8, Utah Code Annotated, 1953, as amended)	$ 2,019,382 (1.6%)		
	The State school lunch fund receives the yield of a special 8 percent sales tax on wine and liquor sold within the State. (Utah has a State-operated liquor monopoly system.) The law provides that the State Board of Education will apportion the yield of the tax among the school districts of the State on the basis of the number of Type A meals served in lunch centers of the public schools. This fund will provide slightly more than 6 cents per meal during fiscal 1972.	State share: 100 percent of calculated amount. Local share: None required.	Requirements for participation: All school districts are eligible to participate and all 40 do, although at the present time school lunches are not available in every school of the State. Probably by the end of fiscal 1972 every school except a few isolated, one-room schools will have school lunch available. In order to participate in the State fund, school districts must operate a school lunch program meeting State requirements. Meals, to be eligible for reimbursement, must meet Federal Type A standards.
CONTINUING SCHOOL BUILDING AID FUNDS (Title 53, Chapter 11, Utah Code Annotated, 1953, as amended)	$ 759,792 (.6%)		
	The Continuing School Building Aid Plan is based upon the premise that some school districts left to their own resources are unable to furnish satisfactory school buildings and equipment for their schools and that the State has an obligation to help such districts meet their capital outlay needs. Money from the Continuing School Building Aid Fund is allocated to school districts on the basis of the number of school building units in the district. Any district's school building units are equal to the total number of distribution units in the district for the current year (as calculated under the distribution unit definition) plus one-half of any increase in distribution units over the preceding year. The amount of any money to which any district is entitled from State and local sources is calculated by multiplying its school building units by $700.	State share: The State share is calculated in the following manner: $700 times the number of school building units in the district minus the local contribution. In approximately one-half the districts of the State, the local levy yields an amount greater than $700 per school building unit. These districts do not receive any State aid. Local share: Each district must contribute as its local share the yield of a six-mill local property tax levy calculated at 100 percent collection expectancy.	Requirements for participation: Each school district must conduct periodic studies of its school plant problems and needs. The district must maintain a current record of its existing school plant and a five-year plan of construction, remodeling, etc. to meet its plant needs. These must be approved by the State Board of Education and the local district must follow its five-year plan in its building program. Each district must levy the six-mill local property tax and expend the yield of the tax on its comprehensive building program, or on payment of principal or interest of school building bonds sold to meet the district's school building needs, or place the yield in a building reserve fund from which expenditures can be made only to meet the needs of the district's comprehensive building plan. Extent of participation: All school districts make required levy and meet planning requirements. Only 20 districts receive State funds.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ALTERNATE BUILDING AID AND BONDING UNIT AID PLANS (Title 53, Chapter 11, Utah Code Annotated, 1953, as amended) $ 2,565,000 (2%)		
The Alternate Building Aid and Bonding Unit Aid Plans were written to provide special assistance to school districts that have exceptionally great building needs in comparison with their resources and that are willing to make exceptional effort in terms of the local mill levy for capital outlay and debt service and in terms of the use of the bonding authority of the district. In order to participate in either of these programs, a district must be both "eligible" and "qualified." The requirements for eligibility and qualification under each program are detailed in column three. Once a district is eligible and qualified in any fiscal year, its entitlement is calculated under both the bonding unit aid plan and the building aid plan and the district is paid under the plan which produces the larger amount. The entitlement of any district for alternate building aid is calculated as follows: (a) Determine the amount raised by the district from its local property tax for capital outlay and debt service in excess of 12 mills but not in excess of 13.5 mills. (b) Determine the ratio of State and local funds contributed to the cost of its basic program (Category I funds) for operation and maintenance. (c) The district's entitlement for State alternate building aid shall bear the same ratio to the amount calculated under item (a) above that the State contribution bears to the local contribution for the basic program for operation and maintenance of the schools (Category I funds). If the amount the district paid on the principal of its long-term bonds during the year is less than 9.5 percent of its maximum legal bonding capacity, this deficiency shall be deducted from its entitlement for State aid.	State share: 100 percent of the calculated or prorated amount of State money for which the district is eligible and qualified. Local share: The local share includes the following items: (a) Any building funds on hand in the school district at the close of the preceding fiscal year. (b) The proceeds of any bonds sold in order to establish either eligibility or qualification. (c) The funds yielded from a 12-mill local property tax under the bonding unit aid plan or a 13.5-mill property tax under the alternate building aid plan. (These funds may be used for construction or for the payment of interest or principal on the district's long-term bonded debt.)	Requirements for participation: In order to establish itself as a district eligible to receive State alternate building aid or bonding unit aid, a district must: (a) Demonstrate a need for school building funds beyond its ability to provide by its own efforts. This need must be in excess of the taxing and bonding requirements imposed by this law. (b) Demonstrate that during the five-year period immediately following it will need a number of classrooms at least equal to 30 percent of the number of existing classrooms in the district at the beginning of the five-year period. Classroom needs, according to the formula, include those needed for increased enrollments, to alleviate overcrowded conditions, and to replace intolerable classrooms. The formula assumes that a kindergarten classroom will serve 60 children; classrooms for other grades, 30 children. (c) The assessed evaluation per child of the property in the district must be below average of the averages of the assessed evaluation per child of all school districts of the State. Once a district becomes eligible for State aid, it retains this special status for a five-year period. After a district has established its eligibility, it must qualify annually for the type building aid it desires. An eligible district may qualify for bonding unit aid by taking these actions: (a) File an application for bonding unit aid with the State Board of Education before June 1 of the fiscal year preceding the year for which it asks aid. The State Board prescribes the forms for use in making the application. (b) Certify to the State Board that it is eligible to receive building aid.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ALTERNATE BUILDING AID AND BONDING UNIT AID PLANS--continued (If the amount appropriated by the legislature is less than the total entitlement of eligible and qualified districts--this has usually been the case--it is prorated among them on the basis of their entitlements.) The amount of bonding unit aid a district is entitled to in any year is calculated as follows: (a) Calculate 10 percent of the greatest amount of the district's long-term building bonds outstanding in any qualifying year and the amount paid on the principal of long-term bonds during the current year. Add to the smaller of these two amounts (b) the actual interest paid on long-term bonds outstanding during the current year; then, subtract (c) the yield of a local 12-mill property tax. (The district must levy such a tax and use the yield for capital outlay and debt service purposes in accordance with its comprehensive five-year plan.) The difference is the district's entitlement for bonding unit aid.		(c) Certify to the State Board of Education that 10 percent of the net long-term bond liability on July 1 of any qualifying year plus the interest on such bonds for the current year will exceed the yield of a local 12-mill property tax for the current year. (d) Impose a local tax levy of at least 12 mills and use the yield on its capital outlay and debt service program according to its comprehensive five-year plan. (e) Certify to the State Board of Education the total payments made on the principal and interest of the long-term bonded debt during the current year. Any eligible district may qualify for alternate building aid by taking these actions: (a) File an application for such aid with the State Board of Education before June 1 of the fiscal year preceding the year for which it seeks to qualify. (b) Certify that it is eligible for State building aid. (c) Incur, prior to December 31 of the qualifying year, a long-term bonded debt equal to at least 95 percent of the maximum bonding power of the district. (A Utah district may bond for not to exceed 13 1/3 percent of its assessed evaluation.) (d) Impose a tax levy in excess of 12 mills during the year for which it seeks to qualify. (This 1 1/2-mill levy between 12 mills and 13 1/2 mills is used in calculating the district's entitlement.) The yield of this levy must be used for capital outlay and debt service purposes in accordance with the district's five-year comprehensive plan.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ALTERNATE BUILDING AID AND BONDING UNIT AID PLANS--continued		NOTE: In an attempt to phase out these two building aid programs, a provision was added to the statute by the 1967 legislature, that any district which did not receive State building money during fiscal 1967 could not thereafter become qualified to receive money under the act. Extent of participation: During the period that bonding unit aid and alternate building aid have been available, 14 different districts have participated, although most of these have not done so during the entire time. For fiscal 1972 only five districts will be eligible and qualified to receive such assistance. Distributed: Funds are allocated in equal amounts during January and June of each year.

UTAH

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: By statute, all tangible property in the State, not specifically exempt by the State constitution, must be assessed at 30 percent of its reasonable fair cash value. Most classes of this property are assessed by local county assessors. The county commissioners sit as an equalization board. These are all locally elected officials.

The State Tax Commission also may revise local assessments. In addition, the Tax Commission is directed by law to reappraise the property in all counties of the State once each five years. This is done by trained appraisers, but the staff is not yet large enough to meet the assignment. It is hoped that this program, when fully effective, will achieve a more nearly equal ratio between assessed values and fair cash values over the State. There is now considerable disparity among the counties.

Mines, mineral deposits, mining claims, smelters, railroads, utilities, and similar properties are assessed originally by the Tax Commission.

Local districts: Under the provisions of the State Foundation Program, all school districts are required to levy a property tax of 16 mills on the State-equalized fair value of the taxable property of the district. This levy is mandatory on all districts and requires no electoral or board approval in the separate districts. Local district receipts produced by this 16-mill levy, which are in excess of $9,120 plus the amount allowed for pupil transportation expenses, are not retained in the district as local revenue, but are collected as a State tax and used for Foundation Program support for other districts.

In order to receive benefits of the State-supported Board Leeway Program, and as its contribution toward the cost of its State-supported Board Leeway Program, and for the purpose of determining the size of its State-supported Board Leeway Program, each school district may impose a tax levy by resolution of its board of education in addition to its minimum basic tax levy, which may range in multiples of one, from 1 mill to and including 12 mills.

In school districts wherein the proceeds of a 1-mill levy equal or exceed the cost of the $212 per distribution unit State-supported Board Leeway Program in said district, there is no leeway contribution by the State.

With the consent of a majority of the electors of the district voting at an election or elections held for that purpose, any district may maintain a school program in excess of the cost of the programs referred to above. Said additional program shall be known as the State-supported Voted Leeway Program of the district. Under the State-supported Voted Leeway Program the State will contribute an amount sufficient to guarantee $110 per distribution unit for each mill levied locally, not to exceed 10 mills as voted by the people. Tax levies for capital outlay and debt service are in addition to these provisions.

Provisions for School Indebtedness

Initiating bond issues: Local boards of education of any school district may borrow money, issuing therefor negotiable bonds. The proposal for issuing long-term school district bonds must be submitted to the registered voters of the district for their approval or disapproval at a special bond election called for that purpose.

Limitations on issuance of bonds: Bonds issued may be either serial- or sinking-fund type. The maximum term is 20 years. Present practice is to issue serial bonds for a period of ten years or less.

Limitations on debt: School bonds may be issued for capital outlay not to exceed 4 percent of the reasonable fair cash value of taxable property in the school district. By law all taxable property must be assessed at 30 percent of its reasonable fair cash value; hence, the legal maximum long-term bonded debt that may be created is 13.5 percent of the assessed evaluation. There is no other authority to change these limits except by legislative action.

Voting requirements: School bonds must be approved in a special election by a majority of the property owners in the district who participate in the election. To be eligible to vote, a property owner must have paid a property tax during the past 12 months. (While this qualification is still in the State law, the recent decisions of the United State Supreme Court have invalidated them. Any registered elector may vote.)

Approval and sale of bonds: No further approval of school bond issues is required. Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds, and it is not required that bonds first be offered to State agencies. Bond funds may be invested until needed.

Bond records, tax levies, and payments: The tax levies necessary for retiring bonds may be above and in addition to those authorized for the current program. Bond records are kept by the local school boards which determine and certify the levies necessary to retire the indebtedness. The local board of education is responsible for the repayment of school district bonds.

Short-term indebtedness: Local school boards are authorized to borrow money when necessary to meet expenses before taxes are collected. The amount of such loans cannot exceed the amount of expected revenues for the current year. These loans must be repaid during the fiscal year.

Short-term loans are also authorized when necessary to meet expenses over and above the revenues for the year. However, such indebtedness cannot extend beyond five years.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: The State auditor prescribes and provides a uniform budget form for all school districts. The school fiscal year begins on July 1 and ends on June 30.

Local approval: On or before June 1 of each year, the superintendent (who by law is the district budget officer) of each school district must prepare and file with the board of education of his district a tentative school budget. This budget shall be placed on file with the clerk of the board of education for public inspection for a period of at least 15 days prior to its adoption.

The district board of education, after holding a properly advertised public hearing on the issue, must adopt a budget for the next fiscal year and make the necessary appropriations to govern expenditures for the year on or before June 30.

Any local board of education can decrease the district budget by resolution, but to increase the budget it must go through the same procedure as before adoption. Budgets are not required to be submitted to any other agency for review.

A copy of the official school budget must be filed with the State auditor after it has been adopted by the local board of education. A copy is also filed with the State department of public instruction.

Provisions for School Audits

School audits are required to be made annually of all school districts, except those districts under 2,500 population, which must be audited biennially. All school audits are made by a competent accountant not regularly employed in the district. The audit for any fiscal year must be completed not less than six calendar months after the close of such fiscal year. The cost of these audits is borne by the local school systems. Copies are filed with the State auditor and with the State superintendent of public instruction.

VERMONT

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

VERMONT PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Arthur J. McCann, Chief, Statistics and Information, Vermont Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 36 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.
2. One hundred percent of the State grant money for schools is derived from legislative appropriations. There are no State taxes earmarked for school support.
3. About 72 percent of the State money for public schools is distributed through the State Aid Fund and is for current operating expenses.
4. Teacher salary requirements range from $5,300 for 3 years' college preparation and no experience to $6,600 for 5 years' college preparation and $7,100 for 10 years' experience.
5. About 17 percent of the State grant money is for the provision of school facilities. Thirty percent of approved project costs are paid by the State.
6. The balance of the State support program gives assistance for educating handicapped children, vocational education, and driver education.

LOCAL SUPPORT

1. An estimated 99 percent of the local tax support for public elementary and secondary schools is derived from taxes levied on personal and real property valuations as included in the State grant list.
2. The only local nonproperty tax source used for public school support is the poll tax. Specified values for the taxable poll are included in the grand list and taxed at rates approved for levy against property. However, separate tax bills are issued for the poll tax. Approximately 1 percent of the local tax support for schools is from taxable polls. There are no other nonproperty taxes authorized for school support.
3. No county taxes are authorized for public school support.
4. There is no specified maximum limit in most districts to the tax rate for the schools which may be approved by the voters of the district.
5. Except as otherwise provided, school bonds may not be issued which will produce a school debt above 10 percent of the assessed valuation of the school district.

STATE SUPPORT, 1971-72

VERMONT

Provisions for the distribution of State funds for the public schools and for program participation

<table>
<tr><th>Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td>Total . . . . $39,164,196 (100.0%)</td><td></td><td></td></tr>
<tr><td>STATE AID FUND
(Title 16, Ch. 123, Secs. 3441 to 3446, Vermont Statutes Annotated) $28,247,977 (72.1%)
General State Aid Formula is calculated by dividing Average Daily Membership into Equalized Grand List to get a "Wealth per Pupil." A multiplier is then determined by comparing local "Wealth per Pupil" to State average "Wealth per Pupil", with poorer districts getting more money. Payment is made on current expenditures.</td><td>State share: 38 percent of total current expenditures.
Local share: Balance, or 62 percent.</td><td>Requirements for participation: Districts must comply with State requirements for teachers' salaries, appointment of superintendents, preparation and filing of financial reports, and as otherwise specified.
Also, school districts are required to abide by the following salary schedule provisions:
<table><tr><th>Training</th><th>Begin</th><th>5 years</th><th>10 years</th></tr><tr><td>3</td><td>$ 5,300</td><td>$ 5,800</td><td>$ 6,300</td></tr><tr><td>4</td><td>5,800</td><td>6,300</td><td>6,800</td></tr><tr><td>5</td><td>6,100</td><td>6,600</td><td>7,100</td></tr></table>Extent of participation: All 249 local school districts.
Distributed: Funds distributed on or before December 1.</td></tr>
<tr><td>SCHOOL BUILDING CONSTRUCTION FUND
(Title 16, Ch. 123, Secs. 3447 to 3458, Vermont Statutes Annotated) $ 6,776,390 (17.3%)
State funds for approved projects provide construction costs for union district high schools, elementary schools, or municipal high schools. Half of the State share is paid upon proof that the approved project is under construction and the balance due is paid upon completion of the project. State money for this program is obtained from the sale of State bonds. The State after July 1, 1968, will pay 20 percent of principal and interest on bond payment for life of bonds. The State will also provide 75 percent of construction for special education classroom approved by Division of Special Education and State Board.</td><td>State share: 30 percent of approved construction costs. Twenty percent of principal and interest on bond payments and 75 percent of construction on special education classrooms.
Local share: Remainder of the construction costs.</td><td>Requirements for participation: School districts must apply for approval of contemplated school construction projects and vote necessary local funds. New construction, additions, and alterations must be urgently needed and meet State standards.</td></tr>
</table>

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SPECIAL EDUCATION FOR HANDICAPPED CHILDREN FUND (Title 16, Ch. 101, Secs. 2941-2952, Vermont Statutes Annotated) $ 2,069,576 (5.3%) Money for this program is not actually distributed to the separate school districts but is used by the Commissioner of Education to provide necessary educational facilities and services to meet the needs of handicapped children. By State law, the Commissioner of Education is charged with the responsibility to superintend and direct all matters relating to the education of these children and to have charge of their instruction in such schools as he may designate. Local school districts are required to reimburse the State Board of Education for the educational expenditures for handicapped pupils from the district in an amount equal to the local amount per pupil in ADA spent for other children the preceding school year.	TWO FUNDING FORMULAS: State share: a) The State bears the remainder of all costs above the average per pupil cost for the district and up to $100 per year for transportation. b) or in the event an approved special education teacher is hired, a district is eligible to apply for 75 percent of actual salary. Local share: a) All costs up to the average per pupil cost for the district plus cost of transportation amounts to over $100 per year. b) District is liable to 25 percent of salary and other costs.	Requirements for participation: School districts must have educable handicapped children. Extent of participation: Approximately 227 school districts, to date, August 6, 1972. Distributed: Payments made twice a year, September and January.
VOCATIONAL EDUCATION FUND (Title 16, Ch. 23, Secs. 1021, 1026, Vermont Statutes Annotated) $ 1,440,253 (3.7%) Portions of the aid, shown above, are provided for aid to area vocational schools in conformity with the Vocational Education Act of 1963. Also portions are distributed to local districts to match amounts expended by the United States to the extent required by the Manpower Development and Training Act of 1962. Also, tuition costs are provided for pupils in grades 9-12 attending vocational education programs in other districts within the State.	State share: State pays one-half the total tuition for each semester of attendance and other equalizing and matching portions. Local share: Remainder of costs after Federal and State portions are paid.	Requirements for participation: School districts must have vocational programs which meet State standards and otherwise comply with directions, regulations, and requirements as prescribed. Extent of participation: 57 high schools, 15 area vocational centers. State has a total of 88 high schools. Distributed: Awards and reimbursements.
DRIVER EDUCATION AND TRAINING FUND (House Bill No. 22, Special Session of General Assembly, 1966) $ 630,000 (1.6%) The superintendent of schools and instructor certifies to the Commissioner of Education the facts concerning all costs, including number of pupils instructed, salaries of instructors, equipment, materials and supplies, etc.	State share: The State pays $60 per pupil-all approved and reasonable costs plus an equal percentage above this amount if the appropriation allows. Local share: Balance of costs.	Requirements for participation: Driver education and training course must be approved by the State Department of Education and the Department of Motor Vehicles. Each supervisory union territory was required to have a driver education and training course available in all public secondary schools on or before September 1, 1969. Private and Parochial schools and Motorcycle Driver Education are reimbursed for approved programs.

VERMONT

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Practically all local school funds come from taxes levied on the amount of the "grand list" which includes 1 percent of the assessed valuation (assessed value is 50 percent of appraised value) of taxable real and personal property plus $1 for the valuation of taxable polls. The poll tax applies to all persons 18 to 65 years of age not specifically exempted. If the town school districts, incorporated school districts, or city school districts so vote, a discount of taxes is allowed, not to exceed 4 percent.

The assessments are made by the "board of listers" which determines the property valuations. The board is elected by the voters in the local town meeting. County commissioners, or similar officials, have no authority to change assessments. Assessment procedures are not supervised by State officials, although assistance is available. The Property Tax Division of the Vermont Department of Taxes is responsible for equalization of the Grand List as a basis for discrimination of State Aid to Education.

Intermediate districts: None.

Local districts: All local school tax rates are determined by vote of the local school district at the annual school district meeting. There are no required minimum or specified maximum school tax rates provided by law. All school districts are fiscally independent except the few city school departments.

Provisions for School Indebtedness

Initiating bond issues: Proposals to issue bonds are initiated by the local school district.

Limitations on issuance of bonds: The Vermont Educational and Health Buildings Financing Agency is a governmental agency concerned with the issuance of school bonds. City bonds are issued to defray the expense of city school construction. School bonds must be issued as serial bonds and may not exceed a term of 20 years without enabling legislature.

Limitations on debt: Bond issues for school construction are limited to 10 percent of the local assessed valuation of the school district except when construction projects under the State aid for school building construction law are involved. The bonding limit is set aside for project approval under the provisions of the school building construction statute.

Voting requirements: No bonds may be issued or debt created without a vote of citizens of the school district who are legally qualified to vote. A majority of such qualified voters must vote favorably for the bond issue to be authorized.

Approval and sale of bonds: Bonds may be sold on a yield basis on the open market without restriction. The State assists with the sale of school bonds only in the event that the school district or municipality wishes to use the services of the Vermont Municipal Bond Bank. It is not necessary for bonds to be offered first to a State agency or to be approved by any State agency. Proceeds of the sale of bonds may be invested until needed for the purpose for which voted.

Bond records, tax levies, and payments: Amortization of the bonds issued for building construction are made a part of the local school tax levy. Special taxes for debt services may or may not be levied. The local school district is responsible for maintaining bond records. The school district treasurer, under the direction of the local school board, is responsible for all payments of bonds and of interest on bonds issued by the local school district.

Short-term indebtedness: The local school board may borrow funds in anticipation of current revenues. There are no legal limitations on short-term indebtedness during any current fiscal year. Short-term indebtedness is usually retired by increasing the tax rate the following year. In case the debt is not retired by vote of the district, the selectmen to the town are required to add to the next tax levy, in multiples of 5 percent of the assessed valuation, an additional tax to cover the deficit.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budgets are prepared by local school officials who have full responsibility for these budgets within the limits prescribed by law. The school fiscal year begins on July 1 and ends June 30.

Local approval: The school budget is approved or disapproved by vote of the local school district at its annual meeting and is required to be printed in the local school district report prior to the annual meeting. There is no other authority for the approval of school budgets. The date for the adoption of the local school budget varies. Local town school districts adopt their budget for the following school year on the first Tuesday after the first Monday in March; incorporated school districts usually hold their annual meetings in June; and city school departments, in general, adopt their school budgets for the city's fiscal year on the first Tuesday in March.

State review or approval: The State has no authority regarding review or approval of local budgets.

Provisions for School Audits

Audits are required annually for the accounts of all types of school districts. This requirement is a provision of the State statutes and the charters of the school districts. The State Auditor's office may serve as the auditing agency in even years. In case the citizens of a town so vote, a private auditor may be employed or locally elected auditor may be used. The cost of these audits is borne by the local school system. Audit reports are filed with the town clerk.

VIRGINIA

PUBLIC SCHOOL FINANCE PROGRAM, 1972-73

VIRGINIA PUBLIC SCHOOL FINANCE PROGRAM, 1972-73 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. William H. Cochran, Assistant Superintendent for Administration and Finance, Virginia Board of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 38 percent of the non-Federal revenue for elementary and secondary school support is provided by the State.

2. State funds distributed to school districts are principally derived from legislative appropriations. This accounts for about 99 percent of the total State aid apportionment. The remaining 1 percent is from two-thirds of the State capitation tax, which is earmarked for the public schools.

3. Over 80 percent of the State funds allocated to school districts is for teachers' salaries. The State minimum salary for beginning teachers is $5,900 to $7,700 (12 steps) for teachers with collegiate or collegiate professional certificates and $3,800 to $5,000 (12 steps) for teachers with normal school professional, elementary, and special certificates.

4. The Pupil Transportation Fund accounts for 3 percent of the total State educational contribution. Allowances to local districts are made on the basis of miles traveled, pupils transported, and number of buses.

5. The Virginia State Sales and Use Tax Act provides that the proceeds of 1 cent Sales Tax be returned to the schools on the basis of school population and must be expended for school operation, capital outlay and/or debt service. While receipts from this fund are considered by law a local effort, the fund is taxed and distributed by the State and as a consequence is listed as a State distribution for purposes of this publication.

LOCAL SUPPORT

1. County and city districts are authorized to levy a maximum tax rate of 30 mills on the local assessed valuation of taxable property.

2. County boards of supervisors and city councils may supplement the school fund through cash appropriations.

3. A 25-mill property tax may be levied for current capital outlay for schools in addition to the 30 mills authorized for operational support.

4. Taxes for debt service are in addition to the 30-mill tax levy authorized for current expense and the 25-mill tax authorized for current capital outlay.

5. Public indebtedness in the cities is limited to 18 percent of the assessed valuation and is for all public debt obligations, including public schools. There is no prescribed limit for county school districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
Total $410,050,400 (100.0%)		
BASIC STATE SCHOOL FUND (Ch. 804, Acts of Assembly, 1972) $267,836,000 (65.3%)		
The total cost of salaries is determined based on the State Minimum Salary Scale for State-aid teaching positions. A State-aid teaching position is one position for each 30 pupils in ADM in elementary grades (1 through 7), and one position for each 23 in ADM in high school grades (8 through 12). The salary allotments per State-aid teaching position is determined based on the following mandatory State Minimum Salary Scale: Collegiate and collegiate professional certificate--$5,900 - $7,700; 12 steps normal professional, elementary and special certificate--$3,800-$5,000; 12 steps. ($500 additional for persons holding Master's degree.)	State share: Supplementary State share equals: Total cost of salaries, plus other operating costs, minus basic State share (60 percent of total cost of salaries). Total State Contribution Basic State School Fund equals: Basic State share (60 percent of total cost of salaries) plus supplementary State share. Local share: A required local effort for each district of 60 cents based on 1970 true values of real estate and public service corporations.	Requirements for participation: No apportionment from this fund shall be made to any county or city for teaching positions in excess of the number allotted and for which teachers are not actually employed. Teachers must be paid no less than the appropriate amount specified in the State salary schedule. Extent of participation: 140 counties, cities, and towns. Distributed: Monthly, July through May.
Other operating costs........... ADM of district times $145. ADM is determined from first 7 months of current school year.		
STATE SALES TAX FUND $ 95,000,000 (23.2%)		
(Nonrestricted)................. This fund is comprised of the proceeds of a State-levied one-cent general sales tax which is distributed by the State Comptroller to localities on the basis of school population. This fund is earmarked for schools and may be expended for current operation, capital outlay and/or debt service. The expenditure of these funds by locality is not subject to any prescribed redistribution formula. These funds are counted as local funds in respect to measures of local effort.	State share: 100 percent of amount. Local share: None. (However, these funds are counted as local funds in respect to measures of local effort.)	Requirements for participation: None. Extent of participation: All localities.
VOCATIONAL EDUCATION FUND (Ch. 804, Acts of Assembly, 1972) $ 12,241,000 (3.0%)		
State reimburses local districts 60 percent of the State Minimum Salary Scale converted from 10 to 12 months; 50 percent of approved travel costs; and limited amounts for equipment on a matching basis.	State share: Percentage of salary and travel costs plus matching equipment costs. Local share: Remaining percentage of salary and travel costs plus matching amounts.	Requirements for participation: Vocational programs in high schools must meet prescribed standards for vocational education. Applications for reimbursement must be filed with the State Board of Education. Extent of participation: 140 counties, cities, and towns.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
VOCATIONAL EDUCATION FUND--continued		Distributed. Quarterly.
PUPIL TRANSPORTATION FUND (Ch. 804, Acts of Assembly, 1972) $ 12,500,000 (3.0%) Forty percent of the fund is distributed on the basis of an equal amount for each mile traveled in transporting pupils to and from the public schools; 40 percent is distributed on the basis of an equal amount per pupil transported in ADM; and 20 percent is distributed on the basis of an equal amount for each school bus in daily use during the current school year which meets State Board of Education standards. (Pupils and miles - based on previous school year; buses - based on current school year.)	Local share: Remainder of pupil transportation costs.	Requirements for participation: Transportation must be provided for pupils in accordance with State standards. Extent of participation: 115 counties and cities. Distributed: In October, December, and April.
SPECIAL EDUCATION FUND (Ch. 804, Acts of Assembly, 1972) $ 11,107,000 (2.7%) The State reimburses local districts for 60 percent of the salaries of special education teachers based on the State Minimum Salary Scale; 60 percent of an hourly rate for visiting teachers; 100 percent of salaries in hospitals and sanatoriums; and flat sums for positions of psychologist, therapist, and attendant.	State share: Appropriate percentage for approved position amounts. Local share: Remainder of costs for special education programs.	Requirements for participation: Districts must organize and provide approved educational services for handicapped and homebound children. Extent of participation: 132 counties and cities. Distributed: Semi-annually in January and June.
TEXTBOOK FUND (Ch. 804, Acts of Assembly, 1972) - (0%) Provides $2 per pupil enrolled for establishment and/or maintenance of rental or free textbook systems in elementary and high schools.	State share: 100 percent of approved amount, if available from unexpended general fund balance. Local share: Remaining costs of textbooks.	Requirements for participation: Establish and/or maintain a system of rental or free textbooks. Extent of distribution: 135 counties and cities. Distributed: Once a year, usually in December.
TEACHER EDUCATION AND TEACHING SCHOLARSHIP FUND (Loan) (Ch. 804, Acts of Assembly, 1972) $ 2,310,000 (.6%) Teaching scholarships are provided in an amount of $450 each for a maximum of 4 years. Repayment requirements may be cancelled by 1 year of teaching for each year of scholarship received. For eligible students attending State community colleges the regular term grant shall be $225.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Approved application for scholarship.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
TEACHERS' SICK LEAVE FUND (Ch. 804, Acts of General Assembly, 1972) $ 1,343,000 (.3%)		
Allows $5 per day for substitutes employed under State sick-leave plan for teachers.	State share: 100 percent of approved amount. Local share: Remainder of costs of substitute teachers' salaries.	Requirements for participation: Claims must be filed by the local boards of education. Extent of participation: 140 counties and cities. Distributed: In June of each year.
IN-SERVICE TRAINING FUND (Ch. 804, Acts of General Assembly, 1972) $ 1,000,000 (.2%)		
Provides funds for summer school scholarships and in-service training classes on local and regional levels.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Meet or comply with prescribed requirements of Regulations of State Board of Education. Extent of participation: 140 counties and cities. Distributed: As requested during the school year.
SUMMER SCHOOL FUND (Ch. 804, Acts of General Assembly, 1972) $ 1,000,000 (.2%)		
An amount per pupil not to exceed $25 from State funds (based on defined operating costs).	State share: 100 percent of approved amount. Local share: Remaining summer school costs.	Requirements for participation: Operate in accordance with Regulations of the State Board of Education. Extent of participation: 105 counties and cities. Distributed: In December of each year.
PUBLIC SCHOOLS LIBRARY FUND (Ch. 804, Acts of General Assembly, 1972) $ 2,181,000 (.5%)		
(Maintaining libraries).......... Funds are provided for maintenance of libraries and for other teaching material for the public schools based on library units determined according to the preceding year's ADA. The State provides two-thirds or $40 per library unit. Districts send the local order and local share of the costs of such units to the State Board of Education which processes the library orders, adds the State share, and mails the orders and checks to the publishers for delivery direct to the schools.	State share: Approved percentage of costs per library unit. Local share: Remainder of costs (one-third) of each library unit.	Requirements for participation: Districts must have established public school libraries and use the funds provided for the maintenance of the libraries. Extent of participation: 140 counties and cities.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
EDUCATIONAL TELEVISION FUND $ 1,257,400 (.3%) (Ch. 804, Acts of General Assembly, 1972)		
Distributed on a matching basis not to exceed $1 per pupil.	State share: 100 percent of approved amount. Local share: Remaining costs for educational television.	Requirements for participation: Provide television instructional program. Extent of participation: 102 counties and cities. Distributed: In April of each year.
SCHOOL FOOD PROGRAMS $ 781,000 (0%) (Ch. 804, Acts of General Assembly, 1972)		
	State share: 1 percent of program. Local share: 65 percent of program.	Distributed: Each March.
MANPOWER TRAINING PROGRAM $ 50,000 (0%) (Ch. 804, Acts of General Assembly, 1972)		
	State share: .05 percent of program. Local share: 9.5 percent of program.	Distributed: Each March.
SUPERINTENDENTS' FUND $ 554,000 (.1%) (Ch. 804, Acts of General Assembly, 1972)		
Superintendents' salaries........ School divisions, or districts, receive a minimum salary allowance for the employment of a superintendent of schools. Allotments determined by classification of census of school districts. Classifications of Districts Census — Minimum Salary 0 - 2,000 - $3,900 2,000 - 2,999 - 4,300 3,000 or more 5,300 Plus $10 for each 100 in excess of 3,000	State share: The State contributes 60 percent of the computed amount.	Requirements for participation: A school superintendent, meeting State Board of Education requirements, must be employed. Distributed: Paid monthly to Division Superintendents.
CONTINGENCY FUND $ 150,000 (0%) (Ch. 804, Acts of General Assembly, 1972)		
Current expenditures............. This fund is distributed each year to aid those county and city school systems which are unable to operate a 9-month school term with the local and State funds otherwise provided. Money is provided on a budget-deficit basis and may be used for current expenditures only.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Local boards of education must apply to the State Board that the school system is unable, by using all available funds, to maintain a 9-month school term without special aid. Extent of participation: 7 counties in 1970-71. Distributed: In May or June of each year.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
PILOT STUDY FUND $ 575,000 (.1%) (Ch. 804, Acts of General Assembly, 1972)		
Approved projects on a 50 percent matching basis.	State share: Approved project matching amount. Local share: Remaining 50 percent of cost of study.	Requirements for participation: Approved project application. Extent of participation: 23 counties and cities. Distributed: Reimbursed as requested based on progress of project.
ADULT EDUCATION FUND $ 165,000 (0%) (Ch. 804, Acts of General Assembly, 1972)		
Reimbursement at the rate of 60 percent of not exceeding $5 per hour for approved classes.	Local share: Remaining costs.	Requirements for participation: Classes in adult education must be approved by the State Department of Education. Extent of participation: 78 counties and cities. Distributed: Usually once a year in May or June.

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DESCRIPTION OF STATE LOAN DISTRIBUTION
State Literary Fund (Constitution, Sec. 134; Statutes, Secs. 22-101 to 22-115)

This revolving fund provides loans to county and city school boards for the construction of public school buildings. As of July 1, 1971, loans outstanding amounted to $18,140,000 plus an amount transferred to the Virginia Education Assistance Authority as collateral. The Virginia Education Assistance Authority is authorized to borrow funds to be re-loaned to localities for school construction. However, localities may not borrow from the V.E.A.A. without a vote of the people. There are approximately $18,000,000 worth of applications pending subject to approval (July 1971) of final plans and specifications and availability of funds. The present rate of interest is 3 percent.

STATE ADMINISTRATIVE EXPENSES

Retirement of Teachers	$48,520,745	Appropriation to State Board of Education -	Transferred to Retirement System.
State Administration	565,355	Administrative expenses - State level	
School Planning, Testing, and Guidance	818,325	" " " "	
State Supervision, Secondary Education	869,510	" " " "	
State Supervision, Elementary Education and	408,165		
Special Education	187,620	" " " "	
Directing Educational Research	394,160	" " " "	
Production of Films	89,900	For production of films and film strips	
Law Enforcement Scholarships	50,000	Self explanatory.	
State Supervision in Educational Television	283,990	Administrative expenses - State level	
Vocational Education	1,143,100	" " " "	
Maintaining Libraries and Other Teaching Materials	462,265	" " " "	
Manpower Training Program	12,475	" " " "	
Civil Defense Adult Education	12,785	" " " "	
Basic Adult Education	28,725	" " " "	
School Food Programs	202,290	" " " "	
Teacher Education and Teaching Scholarships	243,920	" " " "	

VIRGINIA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1972-73

Provisions for Raising School Revenue

Property assessments: A State agency supervises the assessment procedures subject to the limitations provided by law and makes studies to determine the actual ratios of assessed values to the selling prices of real estate in counties and school districts. These ratios are used in apportioning State aid for schools.

Property valuations for purposes of taxation, except valuations of real estate, are established by an elected city or county commissioner of revenue as the case may be. Valuations of real estate are made under general law by a local board of assessors appointed by appropriate judicial authority except that in some cities and in a few counties, such valuations are made annually by a permanent or continuing board of real estate assessors appointed by the governing body of the city or county concerned. A State agency supervises the assessment procedures employed in the assessment of real estate subject to limitations provided by law and makes studies to determine the ratio of assessed values to selling prices of real estate, which are used in apportioning school aid.

Intermediate districts: None.

Local districts: County and city school districts are authorized to levy a maximum tax of 30 mills on local assessed valuation. Boards of supervisors in the counties and councils in the cities may supplement the school fund through a cash appropriation. In addition, each district may levy up to 25 mills for current capital outlay. Cities operate as separate administrative units and are completely independent of the county in which they are geographically located.

Provisions for School Indebtedness

Initiating bond issues: School districts have complete responsibility for initiating bond issues.

Limitations on issuance of bonds: The maximum time limit for payment of bonds is 30 years. Serial bonds are not required. School bonds may be issued only for capital outlay purposes.

Limitations on debt: The Constitution provides that in cities all bond issues, including school bond issues, be limited to 18 percent of the local assessed valuation of real estate. In counties there is no prescribed limit. No State executive agency has authority to fix the debt limit or approve a higher limit in special cases.

Voting requirements: All bonds are required to be approved at a special election by vote of a majority of the qualified electors who participate in the election.

Approval and sale of bonds: Special approval by an agency of the State is not required for school bond issues. Although it is not necessary for bonds to be first offered to a State agency for purchase, State assistance in bond sales is offered. Bond issues are usually, though not necessarily, sold on a fixed interest basis. Funds from the sale of bonds not immediately required may be invested.

Bond records, tax levies, and payments: Tax levies for indebtedness are levied over and above those for general school purposes. Bond records are filed in the school board offices, the treasurer's office, or in the court for safekeeping. Repayment of bonds is handled through county or city treasurers.

Short-term indebtedness: Temporary loans may be made with the approval of the tax-levying body in an amount not to exceed half of the estimated yield from the school tax or half of the cash appropriation, and must be repaid within one year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Estimates of needs for the school budget are prepared by the school superintendent with the assistance and approval of local school boards on forms prescribed by the State. The State school fiscal year begins on July 1 and ends on June 30.

Local approval: Estimates of need for school budgets must be submitted for approval to the county boards of supervisors or to the city council by June 1. These governing bodies have the authority to reduce the total proposed and, consequently, to reduce the proposed tax levy. No public hearing is required for school budgets but the tax-levying body is required to notify the public if an increase in the general property tax levy, above that approved by the governing bodies for current school operation, is contemplated. Budgets must be published or posted before adoption.

State review or approval: There is no statutory regulation requiring the filing of school budgets with a State agency.

Provisions for School Audits

School system audits are made annually by the State Auditor. The cost of these audits is charged to the local school systems involved. However, private concerns may be authorized to make audits in accordance with rules and regulations prescribed by the State Auditor.

WASHINGTON

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

WASHINGTON PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. George A. Glenn, Statistician, Administration and Finance, Washington Department of Public Instruction, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 54 percent of the non-Federal revenue for the public schools, grades K-12, is provided through State grant distributions.

2. The total amount of State funds allocated for public schools is derived from legislative appropriation.

3. Distribution formula provides for a guaranteed, equalized amount from State and designated local funds. The guaranteed amount for the 1971-72 school year is an estimated $365 per "weighted" pupil.

4. About 5 percent of the State funds is apportioned for school construction. The State pays from 0 to 90 percent of the matchable cost of building projects depending on the equalized valuation of district property and the number of certificated employees.

5. State provides the smaller amount of either 90 percent of the approved cost of transportation or actual cost for the current year.

LOCAL SUPPORT

1. An estimated 80 percent of the county and local revenue receipts for schools is obtained from local property taxes.

2. Slightly less than half of the remaining 20 percent of county and local revenue for schools is derived from local sources such as payments in lieu of taxes, student fees, and rental of school property. There are no local nonproperty taxes authorized for school support.

3. The balance of county and local public school revenue is obtained from a 1-percent countywide real estate transfer tax. This is the only authorized county tax for schools.

4. County and local taxes required for participation in the State's basic and equalization distributions include a 14-mill local levy for unified school districts, an 8.4-mill levy for elementary school districts, and the 1-percent countywide real estate transfer tax. One-fifth of the required property tax levy may be used for capital outlay or to accumulate a capital outlay fund.

5. There is no legal limit on the local property tax rate which may be levied when properly authorized by the voters.

6. The constitutional and statutory limitation on school indebtedness is 5 percent of the value of the taxable property (total value). Indebtedness up to 3/8 of one percent of the value of the taxable property may be incurred without electoral approval, while a three-fifths vote in favor of the question is required for approval of any indebtedness above the 3/8 of one percent level.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total	$356,654,850 (100.0%)		
GENERAL FUND--Basic Support Portion (Current expense, grades K-12) (H.B. 151 Laws of 1971, Ex. Sess.)	$230,116,500 (64.5%)		
	Formula provides for a guaranteed, equalized amount from State. The guaranteed amount for 1971-72 year is $365 per "weighted" pupil. The "weighted" pupil factors are as follows: .5 for each child in kindergarten .3 additional for each pupil, grades 7-12 .2 additional for each full-time equivalent pupil enrolled in approved vocational classes, including private school pupils enrolled in public approved vocational classes .1 additional for each pupil enrolled in a program for culturally disadvantaged 0 through 19.0 range; additional per pupil for higher salary costs by reason of added professional preparation and/or longer years of experience .004 (99 pupil enrollment) through 2.0 (18 and under pupil enrollment) range; additional for each pupil enrolled in elementary districts which are "remote and necessary" and in which there are fewer than 100 pupils .002 (249 pupil enrollment) through 2.0 (40 and under pupil enrollment) range; additional for each pupil enrolled in high schools which conduct approved programs, and in which the total enrollment in grades 9-12 is fewer than 250 .25 for each child who resides on property of State, etc., and/or pupils enrolled from tax exempt homes or institutions .25 for each FTE pupil. After the total amount of guarantee for each district has been computed, there is a deduction of certain local receipts	State share: Guarantee amount less percentage of local receipts equals State share. Local share: The sum of (a) through (g): (a) High school district: 85 percent of estimated receipts of 14-mill levy on adjusted valuation Non-high-school district: 85 percent of estimated receipts of 8.4-mill levy on adjusted valuation (NOTE: The levies of 14 mills and 8.4 mills are used only in calculating estimated receipts in the apportionment formula. The estimate of local tax receipts from regular levies, in the 1971-72 budget, is computed from assessed valuation and a levy of 6.0 mills or 3.6 mills.) (b) 85 percent of receipts from high school district fund (c) 85 percent of receipts from in-lieu-of taxes (d) Total receipts from 1-percent real estate excise tax (e) 85 percent of receipts from public utilities district excise tax (f) 85 percent of receipts from Federal Forest funds (g) 85 percent of one-half of receipts from excise tax on mobile homes, travel trailers, and campers.	Requirements for participation: Districts must operate schools in accordance with regulations and submit annual reports. Extent of participation: 319 districts. Distributed: 12 monthly payments.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
SCHOOL BUILDING CONSTRUCTION FUND (Ch. 278, Laws of 1947 as amended by R.C.W. 2 P.A. 47) $ 21,000,000 (5.9%)		
Amount of State assistance is graduated downward from 90 percent of the approved project cost, depending upon the relationship of the adjusted valuation per pupil in the district to the State average adjusted valuation per pupil. Allotments in excess of the amounts allocable under strict application of the statutory formula may be made by the State in case of emergency.	State share: 90 percent or less of the approved project cost depending on the formula. Local share: 10 percent or more of approved project cost depending on formula.	Requirements for participation: Applications made to the Superintendent of Public Instruction. In addition, school district must establish need to the satisfaction of the State Board of Education and must provide local district capital funds in an amount equivalent to 2 1/2 percent of the value of its taxable property, or such amount as may be required by the State Board of Education. Extent of participation: 35 school districts. Distributed: Funds are disbursed by warrant of the State Treasurer upon the presentation of certified claims respecting the amount of work completed.
TRANSPORTATION REIMBURSEMENT (H.B. 151, Laws of 1971, Ex. Sess.) $ 21,730,200 (6.1%)		
Reimbursement of 90 percent of the smaller amount of either (a) the actual cost of pupil transportation or (b) the amount of approved costs, plus 90 percent of the allowance computed for depreciation of buses.	State share: 100 percent approved amount. Local share: None.	Requirements for participation: Approved costs of pupil transportation are established for each district by a county transportation commission, which consists of the intermediate school district superintendent, a representative of the State Superintendent of Public Instruction, and a representative of the school district. Extent of participation: 309 districts. Distributed: 12 monthly payments.

STATE SUPPORT, 1971-72

WASHINGTON

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
FUND FOR EDUCATION OF HANDICAPPED CHILDREN (Ch. 120, Laws of 1943, as amended)	$ 23,500,000 (6.6%)		
	Allotment from a separate appropriation for the additional or "excess" costs incurred in a program for the education of handicapped children.	State share: 100 percent approved amount. Local share: None.	Requirements for participation: Districts must operate programs, approved by the office of the State Superintendent, for the education of handicapped children Extent of participation: 136 districts. Distributed: 12 monthly payments.
VOCATIONAL-TECHNICAL SCHOOLS FUND (H.B. 151, Laws of 1971, Ex. Sess.)	$ 5,657,950 (1.6%)		
	Allotment from a separate appropriation for the operation of approved vocational-technical schools.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Only those schools which have been approved, by the State Board for Vocational Education, as vocational-technical schools may receive an allotment from this fund. Extent of participation: 5 districts. Distributed: 12 monthly payments.
STATE INSTITUTIONS FUND (H.B. 151, Laws of 1971, Ex. Sess.)	$ 2,703,100 (.8%)		
	Allotment from a separate appropriation for the education of boys and girls confined in a State hospital or other State institution.	State share: 100 percent approved amount. Local share: None.	Requirements for participation: A district in which a State institution is located is authorized to conduct an educational program for boys or girls of school age confined therein. Extent of participation: 12 districts. Distributed: 12 monthly payments.
(H.B. 151, Laws of 1971, Ex. Sess.)	$ 46,318,400 (13.0%)		
	For maintenance of salary increases provided by the 1969 Session of the Legislature.	State share: 100 percent of specified salary increases in 1969-70 and 1970-71.	
(H.B. 151, Laws of 1971, Ex. Sess.)	$ 5,628,700 (1.5%)		
	For partial payment from State funds to provide health insurance coverage for employees of school districts.	Joint contribution from State and local funds for health insurance premiums.	Extent of participation: 262 districts.

WASHINGTON

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations for county and local district tax purposes, except valuations of public utilities and of private car companies, are established by elected county assessors. Valuations of public utilities and of private car companies are determined by the State Tax Commission and are apportioned to the respective counties and to the taxing districts thereof on the basis of the comparative amount of such valuation located therein. The Constitution requires that all property shall be assessed at 50 percent of its true and fair value.

The governing board of the county is designated by law as a board of equalization charged with the duty of equalizing among individual taxpayers the valuations established by county assessors. The State Department of Revenue is vested with certain supervisory responsibilities and provides the rules and regulations under which the local officials operate. A separate agency, the State Board of Tax Appeals, is responsible for hearing and deciding appeals by any taxpayers or taxing unit from decisions of the county board of equalization. The State Department of Revenue is responsible for equalizing among the counties the valuations to be used as the base for the State property tax levy only.

This is accomplished through establishment of a property tax assessment ratio for each county. For the current year, these ratios range from 26.2 percent to 47.4 percent as related to the constituional requirement of 50 percent. The use of these ratios for the State property tax operates to increase the productivity of the 4-mill State property tax levy limit specified by law. The State levy is based upon the full 50 percent assessment level. The revenues from two of the State's 4-mill levy are returned to the local school districts. In 1973 the 2-mill State school levy is to expire and the local districts will be given one of the two mills. These ratios are also used to determine the amount of State funds to be allotted to the school districts of the various counties to assist them in providing school plant facilities.

There is an overall constitutional property tax limitation of 40 mills on property valuation and, within this limitation, the Legislature allocates the rates which may be levied by the State and the various political subdivisions without popular election.

Intermediate districts: There is a 1-percent county real estate transfer tax on the sale of all real estate. These funds are apportioned to school districts of the county for current operations on the basis of average annual enrollment. Expenses of the intermediate school district superintendent's office are paid from funds derived from the county property tax and from State funds.

Local districts: The school board in a district maintaining elementary and secondary schools is authorized by law to levy up to 6 mills on local assessed valuations for school purposes. This will become 7 mills in 1973 when the 2-mill State levy is cancelled. One-fifth of this amount may be used for capital outlay or to accumulate a capital outlay fund. There is no limit on levies in excess of the basic mills if such levies are approved by a 60-percent majority of those voting in an election in which the number of persons voting equals or exceeds 40 percent of the number who voted in the last general election. There are no property qualifications for participating in a school bond or special levy election. Excess levies must be authorized every year.

Special levies for debt service are in excess of other levy limitations and are for the term of the bond issue if so authorized by the electors when the indebtedness is voted. Such levies are made annually in the amount required.

Provisions for School Indebtedness

Initiating bond issues: The board of directors of the school district may issue bonds for the purpose of purchasing school sites, constructing school facilities, and equipping school buildings. Authorization must be obtained by the voters of the district at a regular or special school election.

Limitations on issuance of bonds: The bonds issued shall be in such form, for such terms, bear such interest, be sold in such manner, and be payable and redeemable, as the board of directors shall determine.

Limitations on debt: The constitutional and statutory limitation on school indebtedness is 5 percent of the value of the taxable property (total value). Indebtedness up to 3/8 of one percent of the value of the taxable property may be incurred without electoral approval, while a three-fifths vote in favor of the question is required for approval of any indebtedness above the 3/8 of one percent level.

Voting requirements: An election must be held in which 50 percent of qualified electors participating in the election vote in favor of the bond issue. For the bonds to be approved, it is also required that at least 40 percent of the voters from the district participating in the preceding State general election must vote in this election.

Approval and sale of bonds: The school board must direct the county treasurer to advertise the bonds for sale. After bids are received, the school board must indicate which bid, if any, was accepted. Bonds are usually sold on a fixed interest basis. The State does not assist in the sale of bonds and has a priori purchase rights. Funds from the sale of bonds not immediately needed may be invested until needed.

Bond records, tax levies, and payments: The county treasurer is responsible for maintaining the records and making the payments on the bonds.

The maximum tax rate for all school purposes, without a vote, ranges from 5.6 mills to 14.0 mills on true property valuations, depending upon the kind of district. At the time of preparing the annual budget for the ensuing year, the board of directors of a school district is permitted by statute to include therein an amount not in excess of 20 percent of the taxable income of the district as determined on the basis of the maximum district levy specified earlier. The amount so included may be expended for capital outlay or for debt services as the board of directors may determine. The board of county commissioners is required to levy taxes for debt service in an amount sufficient to meet the annual or semiannual payments of principal and interest on bonds. Such levy may be in excess of the levy, heretofore indicated, which school districts may make without a vote of the electors.

Short-term indebtedness: School districts may issue interest-bearing warrants in anticipation of receipts of budgeted revenues. Any debt remaining at the close of the school year must be absorbed in the ensuing school year's budget.

WASHINGTON

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budgets are prepared by local school officials on forms provided by the State Department of Public Instruction. They are for the fiscal year July 1 through June 30.

Local approval: First-class district school boards must file the certified final budget with the county commissioners not later than the first Monday in October. The final determination of amounts in the budget rests entirely with the district school board.

Second- and third-class school district officials must prepare and approve budgets for submission to the county budget reviewing committee not later than the first day of August. This committee has the final authority for fixing the amount of the budget.

State review or approval: First-class school districts must file a copy of their budget with the State Division of Municipal Corporations not later than the first Monday in October. Second- and third-class districts must file a copy of their budget with the State Superintendent of Public Instruction after which it is approved by the county reviewing committee. Amendments which would increase the total amount in the budget of any district must be approved by the State Superintendent of Public Instruction.

Provisions for School Audits

Audits are made on all districts approximately once every 2 years by the State Auditor. The cost of the audit is paid for by the local school district involved.

WEST VIRGINIA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

WEST VIRGINIA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Aaron Rapking, Jr., Assistant Superintendent, Finance and Administration, West Virginia Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 65 percent of the non-Federal receipts and revenues for public elementary and secondary schools, including only State grants and local revenues and receipts, is provided by the State.

2. About 52 percent of the State grant money is provided from sales and cigarette taxes earmarked for the support of the public schools.

3. Nearly 94.5 percent of the State grant money is allocated for the support of the foundations program, including expansion of early-childhood and special education programs.

4. Other State distributions provide support for comprehensive educational program development, vocational education, enrollment increases, school lunches, orphanage aid, and safety education.

5. Foundation program support includes allowances for current expenses, (a) professional educators based upon State salary scale, (b) other personnel, (c) fixed charges, (d) transportation, (e) administration, (f) other current expense, (g) special appropriation toward attainment of national average expenditures.

6. Minimum teacher salary allowances for teachers with a bachelor's degree range from $5,719 to $7,396 per year; for teachers with a master's degree, from $6,257 to $8,321 per year for an employment term of 10 school months of 20 days each.

LOCAL SUPPORT

1. Approximately 86 percent of the locally derived revenue for public education is from property taxes.

2. The remainder of local school support is obtained principally from nonproperty revenue receipts which include tuition payments, adult education fees, and miscellaneous receipts.

3. Required local support for participation in the State foundation program ranges from 1.96 to 7.84 mills, depending upon the class of property.

4. Maximum regular property tax rates for schools are as follows:

    a. Class I property--current expense, 2.11 mills; permanent improvement, .15 mills; debt service, .035 mills; total, 2.295.

    b. Class II property--current expense, 4.22 mills; permanent improvement, .3 mills; debt service, .07 mills; total, 4.59.

    c. Classes III and IV property--current expense, 8.44 mills; permanent improvement, .6 mills; debt service, .14 mills; total 9.15.

5. School bonds for capital outlay may be issued to 5 percent of the assessed valuation of the county with rates separate from and in addition to other tax levy rates if 60 percent of those voting in an election on the proposal approve it.

6. Counties may adopt for a period of not more than 5 years a special added tax levy of up to 100 percent of the authorized rates for specified operating and/or capital expenditure purposes provided at least 60 percent of those voting at such election vote in favor of such an additional levy.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances

Total	$153,712,929	(100%)
BASIC SCHOOL SUPPORT PROGRAM (Ch. 18, Art. 9A, Secs. 1-10, Code of West Virginia)	$145,190,515	(94.5%)

1. Allowance for Professional Educators (Ch. 18, Art. 9A, Sec. 4, Code of West Virginia)........($125,022,910)*

Amount per teacher employed based on annual salary schedule:

Kind of teacher certificate	Basic allow. per year (minimum)	Years to reach maximum (allowed)
Bachelor's Degree	$5,719	13
Bachelor's +15	5,988	13
Master's Degree	6,257	16
Master's +15	6,525	16
Master's +30	6,794	16
Doctorate	7,063	19

$129 is added for each allowed year of teaching experience. "Teacher" is defined to include all certified professional staff. This program provides a basic salary allowance for every certified professional employee, with a ceiling of 55 professionals per 1,000 pupils.

2. Allowance for Other Personnel (Ch. 18, Art. 9A, Sec. 5, Code of West Virginia)........($ 23,754,353)*

An amount equal to 13.5 percent of State total professional salaries allocated proportional to adjusted enrollment.

An amount equal to 5.5 percent of the same total distributed in proportion to the number of bus drivers employed.

State and local shares for support of the calculated State program allowance

State share: Sum of the seven steps minus the local share. ($145,190,515)

Local share: Required local support for participation in the State Foundation Program ranges from 1.96 to 7.84 mills, depending upon the class of property. ($34,781,397)

Requirements for and extent of school district participation and schedule for distributing State aid

Requirements for participation: Counties must operate schools and provide pupil transportation to participate in allocations for salaries, pupil transportation, and other current expenses.

Extent of participation: 55 counties. All districts are countywide.

Distributed: Semi-monthly.

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*Amounts represent the total of State and local funds.

STATE SUPPORT, 1971-72 WEST VIRGINIA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
BASIC SCHOOL SUPPORT PROGRAM--continued		
3. Allowance for Fixed Charges..........($ 10,711,963)* (Ch. 18, Art. 9A, Sec. 6, Code of West Virginia) The current Social Security rate plus 2 percent applied to the sum of the allocations for professional educators and for other personnel.		
4. Allowance for Transportation..........($ 4,354,755)* (Ch. 18, Art. 9A, Sec. 7, Code of West Virginia) a. 80 percent of transportation cost for maintenance, operation, etc., exclusive of salaries. b. Cost of insurance if premiums secured through bidding. c. 10 percent of replacement costs of the bus fleet. d. 80 percent of cost of contracted services. e. In lieu of transportation equal to State average allocation per pupil. There is a ceiling of 133 percent of State average cost per mile.		
5. Allowance for Administrative..........($ 1,250,205)* Costs (Ch. 18, Art. 9A, Sec. 8, Code of West Virginia) A flat amount to each county based upon 1 percent of the State total allocation for professional educators.		
6. Allowance for Other Current..........($ 14,877,726)* Expenses (Ch. 18, Art. 9A, Sec. 9 Code of West Virginia) 10 percent of the State total of professional educators and other personnel salaries allocated in proportion to adjusted enrollment.		
7. Allowance Toward National............($ 0)* Average (Ch. 18, Art. 9A, Sec. 10, Code of West Virginia) Increases in total local share and balances from the General School Fund allocated proportional to adjusted enrollment.		Extent of participation: Zero, first year of formula.

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*Amounts represent the total of State and local funds.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ALLOWANCE FOR LOSS REDUCTION (Ch. 18, Art. 9A, Sec. 13, Code of West Virginia) $ 1,658,834 (1.1%)		
For the purpose of loss in State aid.................................. The State Board shall compute the amount to be received by each county from the regular State aid appropriation for the fiscal year beginning July 1, 1971. The State Board shall then compute such amount with the State aid the county would have received from the plan in effect during the fiscal year 1970-71. On the basis of such comparison, 80 percent of such loss the first year, 60 percent the second year, 40 percent the third year, and 20 percent the fourth and final year.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: County must be experiencing the described loss. Extent of participation: 18 counties. Distributed: Semi-monthly.
INCENTIVE FOR PROGRAM IMPROVEMENT (Ch. 18, Art. 9A, Sec. 14, Code of West Virginia) $ 1,307,422 (.9%)		
To encourage counties to move.... toward new and improved programs and to reduce class size. Counties having ratios of adjusted enrollment to professional staff higher than the State average will be granted advance funds to employ additional staff to reach the State average. Provided, that in any one fiscal year no more than one-half of such additional staff may be counted under this provision. Such funds shall be granted to each eligible county based on data at the end of the third month of school but only on the basis of actual staff members employed.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: A county whose staffing pattern in number of professionals per 1,000 pupils is below the State average may qualify for funds for additional professionals employed by the end of the third month. Extent of participation: 24 counties. Distributed: February.
ALLOWANCE FOR INCREASED ENROLLMENT (Ch. 18, Art. 9A, Sec. 15, Code of West Virginia) $ 493,823 (.3%)		
To provide for the support of.... increased net enrollments in the counties in a school year over the net enrollments used in the computation of total State aid for that year. Upon determination of the several increases in the respective counties' net enrollments, as of the close of the third month, each county showing such increase shall be allocated an amount equal to that county's average per net pupil total State aid multiplied by the increase in that county's net enrollment. If the amount appropriated for this purpose shall not be sufficient to provide payment in full for the total of these several allocations, each county allocation shall be reduced to an amount which is proportionate to the appropriation compared to the total of the several	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: County must be experiencing the described enrollment increase. Extent of participation: 22 counties. Distributed: By December 31.

STATE SUPPORT, 1971-72 WEST VIRGINIA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
COMPREHENSIVE EDUCATION PROGRAM FUND (Ch. 18, Art. 2, Sec. 23, Code of West Virginia)	$ 1,000,000 (.6%)		
To provide for the evaluation.... and approval of the development of plans for a comprehensive educational program or programs in county school systems.	Maximum allocation of: $10 per adult or senior high school pupil $7.50 per junior high school pupil $5 per elementary school pupil Actual distribution is based on number of such pupils in approved programs.	State share: 100 percent of maximum allocation is prorated in relation to amount available for distribution. Local share: None.	Requirements for participation: Counties must plan, establish, and operate programs for the development of comprehensive programs conforming to standards and criteria established by the West Virginia Board of Education. Extent of participation: 55 counties. Distributed: By November 1.
VOCATIONAL EDUCATION FUND (Ch. 18, Art. 10, Secs. 5 and 8, Code of West Virginia)	$ 2,828,335 (1.8%)		
To operate vocational education.. programs in compliance with State rules, regulations, and standards.	71 percent allocated for teachers' salaries based on actual teachers employed at the end of the second month of current school year and 29 percent distributed among the counties based on net enrollment at the end of the fourth school month of the current year.	State share: Percentage of salary amount as State and Federal funds allow, 100 percent of allowed amounts for other approved expenses. In addition to State money indicated, Federal funds are provided. Local share: All costs not covered by reimbursement.	Requirements for participation: Operate vocational education programs in compliance with State rules, regulations and standards. Extent of participation: 55 counties. Distributed: Semi-annually.
EXCEPTIONAL CHILDREN FUND (Ch. 18, Art. 20, Secs. 1-5, Code of West Virginia)	$ 424,000 (.3%)		
For the establishment of .... special programs and teaching services, and providing suitable educational facilities, equipment and services.	Salaries and travel for teachers of exceptional and homebound pupils; testing of exceptional children; general classroom equipment and supplies, minor remodeling of structures to meet handicapped pupils' needs.	State share: 100 percent of calculated amount. Local share: All additional special costs not covered by this distribution.	Requirements for participation: Teachers and programs for exceptional children must meet State standards. Extent of participation: 55 counties. Distributed: End of fiscal year.
SCHOOL LUNCH FUND (Budget Document)	$ 650,000 (.4%)		
To provide marginal school....... lunch program funds for cooks salaries.	Number of marginal school programs operated the previous year.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Provide school lunch programs which meet State standards. Extent of participation: 55 counties. Distributed: Monthly.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ORPHANAGE AID FUND (Ch. 18, Art. 9, Sec. 7, Code of West Virginia) $ 25,000 (0%)		
For the purpose of enrollment.... of pupils from other districts in the State residing in children's homes located in the applicant district. Equal to the per capita cost of education for the preceding year and the total number of pupils from children's homes enrolled in the public schools.	State share: 100 percent of calculated amount, prorated in relation to amount available for distribution. Local share: None.	Requirements for participation: Enroll pupils from other districts in the State residing in children's homes located in the applicant county. Extent of participation: 7 counties. Distributed: Annually.
SAFETY EDUCATION FUND (Ch. 18, Art. 2, Secs. 17-21, Code of West Virginia) $ 135,000 (.1%)		
To operate an approved........... program of driver education. Number of students completing driver education course multiplied by $10.	State share: $10 per pupil completing course; in addition Federal funds are provided. Local share: Remainder of the cost of the program.	Requirements for participation: Operate an approved program of driver education. Extent of participation: 55 counties. Distributed: 2 semesters and 1 summer term.

WEST VIRGINIA

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Nonpublic utility property assessments for taxation purposes are made by county assessors who are elected by the people. County commissioners have authority to change property valuations as determined by the assessors. The State Tax Commissioner makes an annual statewide appraisal of property values. Counties in which nonpublic utility assessments fall below 50 percent of the Commissioner's appraised valuations are required to increase assessments to this percentage or transfer sufficient tax rate from the county court to the county school board to assure that the latter will receive in local property taxes an amount equal to the local share required for the Foundation Program.

Officials of the State Board of Public Works, who are elected, establish the assessments on public utility property.

Intermediate districts: There are no intermediate school districts in West Virginia.

Local districts: The Constitution provides overall limitations on property tax levies and gives the Legislature power to establish rates for different purposes such as education.

The permanent improvement levy may be transferred for use for current operating expenses or expended or accumulated for building and other permanent improvement projects. In addition to the levy for the permanent improvement fund, unexpended balances from the current expense fund may be transferred to this fund at the end of the fiscal year with the approval of the State Board of Education. The accumulation in this fund may not exceed 25 percent of the amount of the county's foundation school program. If accumulated for more than 2 years, the proceeds shall be deposited with the State Sinking Fund Commission for investment.

Special Levies: The Constitution also provides that the specific tax rate limitations set by the Legislature for schools can be exceeded to an additional 100 percent of the limits set, when approved by 60 percent of the electors voting. Upon electoral approval, such increases in the tax limits can be levied for a maximum of 5 years, after which they must be submitted again for voter approval. The specific purposes for which these funds may be used are set out in and are part of the proposal upon which the voters act.

Nonproperty revenues include receipts from tuition, activities such as cannery centers, sale of property, insurance recoveries, and miscellaneous sources.

The present Constitution's limitations for all county purposes and the statutory millage limitations for county boards of education and other political subdivisions follow:

Purpose of levy	Maximum millage levies, by class of property			
	I	II	III	IV
Total (Constitutional Limitation)	5.000	10.00	15.00	20.00
State Current	.025	.05	.10	.10
Board of Education	2.295	4.59	9.18	9.18
Current operation	2.110	4.22	8.44	8.44
Permanent improvement	.150	.30	.60	.60
Debt service	.035	.07	.14	.14
County Court	1.430	2.86	5.72	5.72
Current operation	1.190	2.38	4.76	4.76
County debt	.025	.05	.10	.10
District debt	.215	.43	.86	.86
Municipal	1.250	2.50	----	5.00
Current operation	1.100	2.20	----	4.40
Municipal debt	.150	.30	----	.60

Provisions for School Indebtedness

Initiating bond issues: School bond issues are initiated by the local school board. No other school or nonschool authority may issue bonds for school construction.

Limitations on issuance of bonds: School bonds must be serial and may be issued to run for a maximum of 34 years.

Limitations on debt: The Constitution provides that local school bonds may be issued for capital outlay only, to 5 percent of the assessed valuation of the county, to be serviced by tax rates separate from, and in addition to, the regular and special levy rates. No State agency has the authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements: County school bond issues must be submitted to a vote of the people. All legal voters are eligible to vote, and the issue must be approved by at least 60 percent of those voting. The specific purposes for which the funds may be used are set out in and are part of the proposal upon which the voters act.

WEST VIRGINIA

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Budget forms are prepared and furnished by the State to all local boards of education. The fiscal year begins July 1 and ends June 30.

Local approval: School budgets for the subsequent year are tentatively approved prior to March 28 by the local board of education. Budgets must be published 2 weeks prior to adoption. No other local or county authority reviews the budget.

State review or approval: Copies of the school budget are submitted to the State Board of School Finance between March 28 and the third Tuesday in April. Budgets are approved as submitted or required to be revised to meet State laws and regulations. One copy is retained by the State Board of School Finance, one by the State Tax Commissioner, and the other is returned to the local board for its official adoption not later than the third Tuesday in April.

Provisions for School Audits

Annual audits are required to be made of all school districts. Audits are made by the State Tax Commissioner and the cost is borne by the local school district.

WISCONSIN

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

WISCONSIN PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Alan W. Kingston, Assistant Superintendent, Wisconsin Department of Public Instruction, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 30.5 percent of the total non-Federal income for elementary and secondary education in Wisconsin is provided by the State.

2. 98.9 percent of the State's payments to public schools is derived from legislative appropriation; 0.7 percent comes from chauffeur's and driver's license fees; and 0.4 percent is redistributed earnings from the common school fund.

3. There are 425 districts classified as "integrated" (enriched educational program) and 19 classified as "basic" (minimum educational program). Of the 444 total districts, 97 receive $69,680,600 in flat aids, distributed on a per-pupil basis, and 347 receive $152,956,584 in equalization aids, distributed on a cost-sharing basis.

4. 68.1 percent of State support is in the form of general (flat and equalization) aid; 12.8 percent is in the form of six types of categorical aid (transportation, handicapped, library, driver education, tuition, and Milwaukee Language Center); and 19.1 percent is in the form of State (employer) contributions for teacher retirement and social security funds.

5. The State contributes an average of $337 per member toward a total per-membership average expenditure of $1,140 (including operating costs, capital outlay, debt retirement, and employer's contributions toward teachers' retirement and social security funds).

LOCAL SUPPORT

1. Local support for elementary and secondary education in Wisconsin derives primarily (93.4 percent) from property taxation, with the remainder coming from miscellaneous local fees and taxes.

2. The 358 12-grade districts must levy at least 5 mills, and the 62 elementary and 14 union high school districts must levy at least 3 mills, on the State-equalized valuation of taxable property in order to qualify for participation in the State general-aid program. (SS. 121.08 through 121.13)

3. Counties are required to levy a tax which will produce $350 per elementary teacher unit for all elementary and 12-grade districts which have met the minimum levy requirement. (S. 59.07(21))

4. County property taxes are limited to 10 mills for all purposes. (S. 70.62(2))

5. The maximum amount of school district indebtedness is 10 percent of equalized valuation for city and 12-grade districts, and 5 percent of equalized valuation otherwise. (S. 67.03)

6. Taxes for debt service are in addition to those authorized for current operating costs. (SS. 67.035, 70.62(2))

isions for the distribution of State funds for the public schools and for program participation

<table>
<tr>
<th>, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th>
<th>State and local shares for support of the calculated State program allowance</th>
<th>Requirements for and extent of school district participation and schedule for distributing State aid</th>
</tr>
<tr>
<td>l . . . . $327,022,351 (100%)</td>
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<tr>
<td>RAL AID, Equalization portion
. 121.02 through 121.14) $152,956,584 (46.8%)

For purposes of determining net operating cost, districts are not allowed to count the cost of capital outlay, debt service, or community services, and they must also deduct certain local, State, and Federal revenues. Districts are not allowed to use a net operating cost in excess of 105 percent of the State average net operating cost for districts of like organization; in 1971-72, the maximum net operating cost which could be claimed by a district for State aid purposes was $874 in 12-grade districts, $1,178 in union high school districts, and $917 in elementary districts. However, a 12-grade district was allowed to increase the $874 ceiling cost by about $16 for every $1,000 it fell below the State average equalized valuation per pupil of $35,500, up to a maximum cost of $998.

If the money appropriated is sufficient to meet the need for State aid, the necessary amount is paid. If the money appropriated is less than the State aid as computed, the appropriation is prorated among the districts.</td>
<td>State share: Wisconsin guarantees each school district a minimum property tax base, according to the following schedule:

<table><tr><th></th><th colspan="2">Guaranteed valuation per pupil</th></tr><tr><th></th><th>integrated</th><th>basic</th></tr><tr><td>12-grade</td><td>$ 47,900</td><td>$47,900*</td></tr><tr><td>union high</td><td>114,600</td><td>55,000</td></tr><tr><td>elementary</td><td>45,900</td><td>24,500</td></tr></table>*aid computed in same manner as integrated districts, but only 75 percent of computed amount is payable.

Multiplying the appropriate figure from the above schedule by the number of resident pupils yields the district's total guaranteed valuation. From this, the State computes the net guaranteed valuation as follows:

$\text{Net Guaranteed Valuation} = \text{Guaranteed Valuation} - \text{Equalized Valuation}$

Then the State shares in the net operating cost of each district in the proportion of

$\text{State Share} = \frac{\text{Net Guaranteed Valuation}}{\text{Total Guaranteed Valuation}}$

Local share: Districts must levy at least 3 mills on the equalized valuation of taxable property except for 12-grade districts, which must levy 5 mills.</td>
<td>Requirements for participation: Districts must maintain school at least 180 days, pay teachers no less than basic salary schedules, grant sick leave, deduct retirement funds for teachers, and meet other requirements. Districts must levy at least 3 mills on the equalized valuation of taxable property except for 12-grade districts, which must levy 5 mills.

Extent of participation: 347 of the State's 444 school districts receive equalization aid. The remainder receive flat aid.

Distributed: Aid is computed on the basis of a budget estimate filed with the State in October. Districts may receive an advance payment of State aid of up to 75 percent of the amount due as computed using the October report. The major payment is made in April or May. After the close of the school year, districts must file an annual report of actual receipts and expenditures. The actual figures are used to recompute the amount of State aid, and an adjustment is made for overpayment when the next year's State aids are paid. If the district was underpaid, an additional payment is made.</td>
</tr>
<tr>
<td>RAL AID, Flat portion
. 121.02 through 121.14) $ 69,680,600 (21.3%)

Wisconsin guarantees a minimum payment of State aid to each school district, regardless of its equalized valuation, according to the following schedule:

<table><tr><th></th><th colspan="2">Flat-aid payments per pupil</th></tr><tr><th></th><th>integrated</th><th>basic</th></tr><tr><td>secondary</td><td>$84</td><td>$40</td></tr><tr><td>elementary</td><td>66</td><td>30</td></tr></table></td>
<td>State share: 100 percent of calculated amount.

Local share: Districts must levy at least 3 mills on the equalized valuation of taxable property except for 12-grade districts, which must levy 5 mills.</td>
<td>Requirements for participation: Districts must maintain school at least 180 days, pay teachers no less than basic salary schedules, grant sick leave, deduct retirement funds for teachers, and meet other requirements. Districts must levy at least 3 mills on the equalized valuation of taxable property except for 12-grade districts, which must levy 5 mills.</td>
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Provisions for the distribution of State funds for the public schools and for program participation

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<tr><td>GENERAL AID, Flat portion--continued

If the flat-aid payment per resident pupil would amount to more than the equalization-aid payment, the flat aid is paid. In addition, every district which has non-resident high-school pupils is paid flat aid for those pupils, regardless of whether it receives flat or equalization aid for its resident pupils.

If the money appropriated is sufficient to meet the need for State aid, the necessary amount is paid. If the money appropriated is less than the State aid as computed, the appropriation is prorated among the districts.</td><td></td><td>Extent of participation: 97 of the State's 444 school districts receive flat aid. The remainder receive equalization aid.

Distributed: Aid is computed on the basis of a membership report filed with the State in October. Payment is made in April or May.</td></tr>
<tr><td>TRANSPORTATION AID
(SS. 121.58, 115.85)

$ 13,434,949 (4.1%)

Transportation aid is the only.. form of aid in Wisconsin benefitting pupils in private and parochial schools. Public school districts are required to provide transportation to pupils in private and parochial schools under the same guidelines as apply to public-school pupil transportation. The State makes a flat-aid payment for each pupil transported, regardless of whether he attends a public or a nonpublic school.

Wisconsin pays a flat grant to local districts to help offset transportation costs on the basis of the following schedule:

<table><tr><th colspan="3">Transportation aid payment per pupil</th></tr><tr><th></th><th>1-90 days</th><th>91-180 days</th></tr><tr><td>2-5 miles*</td><td>$12</td><td>$24</td></tr><tr><td>5-8 miles</td><td>18</td><td>36</td></tr><tr><td>over 8 miles</td><td>24</td><td>48</td></tr></table>* 0-5 miles for handicapped pupils.

In addition, the State pays 70 percent of the costs of transporting handicapped pupils beyond the amount covered by the flat grant. If a district provides room and board in lieu of transportation, the State will pay $6 per week per pupil so accomodated.</td><td>State share: 100 percent of calculated amount.

Local share: There is no required local participation for transportation aid.</td><td>Requirements for participation: Districts must provide transportation for all pupils who live more than two miles from school and for all handicapped pupils unable to walk less than two miles to school, except that city school districts are not required to provide transportation for pupils living within the city limits.

Extent of participation: 436 districts received transportation aid in 1971-72.

Distributed: Most payments are made in November, although some city school districts, which operate on a calendar-year budget, receive payment in January.</td></tr>
<tr><td>HANDICAPPED AID
(SS. 115.84, 115.85)

$ 22,282,238 (6.8%)

The legislature appropriates a sum sufficient to pay all forms of handicapped aid.

Consultants from the State Department of Public Instruction approve the cost of teachers' salaries, pupil transportation, special books and equipment, and other items for education of handicapped children.</td><td>State share: The State pays 70 percent of the approved cost. The State also pays 50 percent of the salaries of school social workers and psychologists, and half of the cost of educating homebound pupils, up to a maximum of $300 per pupil.

Local share: School districts and counties operating handicapped programs must pay the</td><td>Requirements for participation: Legal requirements for quality of handicapped program must be met, and approval of program must be secured from State Department of Public Instruction.

Extent of participation: 322 school districts, all 19 cooperative educational service agencies and 24 of the 72 counties.</td></tr>
</table>

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
HANDICAPPED AID--continued	full amount of unapproved cost and that portion of approved cost not borne by the State.	Distributed: In general, handicapped aid payments are made in March and April.
LIBRARY AID (COMMON SCHOOL FUND) (SS. 25.21 through 25.23, 43.19) $ 1,318,756 (.4%) The Common School Fund, established by the State Constitution, is used as a source of loans for school districts. Interest on the loans is distributed to districts on the basis of the school census. The total amount available for distribution is divided by the total number of children between the ages of 4 and 20, as reported in the school census. The result is the payment per child (in 1971-72, 94 cents) which is distributed to school districts on the basis of their census figures.	State share: 100 percent of calculated amount. Local share: There is no local requirement for participation in aid from the Common School Fund.	Requirements for participation: To qualify for aid from the Common School Fund, a district must conduct a school census and operate a public school. Extent of participation: 430 school districts receive aid from the Common School Fund. Distributed: Payments are made in January.
DRIVER EDUCATION AID (S. 121.15) $ 2,226,766 (.7%) The State pays $30 per high-school pupil who completes an approved driver education course, consisting of both classroom and behind-the-wheel experience, but the total amount paid to any given district may not exceed the actual cost of the program. The appropriation is prorated if it is insufficient.	State share: 100 percent of calculated amount. Local share: There is no local requirement for participation in aid for driver education.	Requirements for participation: Driver-education courses must comply with statutes and be approved by the State Department of Public Instruction. Extent of participation: 381 districts received driver-education aid. Distributed: Driver-education aid is paid in March and April.
TUITION PAYMENTS (S. 212.79) $ 864,658 (.2%) The State pays all tuition for pupils in these five categories: (1) those in children's homes; (2) those living on State or federally owned land; (3) those in the care, custody, or control of the State Department of Health and Social Services; (4) handicapped children in foster homes; and (5) other children in foster homes, except no payment is made for children living in the same district as their parents or for those children who comprise less than 1 percent of the district's membership.	State share: 100 percent of calculated amount. Local share: There is no local requirement for participation in tuition payments.	Requirements for participation: Districts must file tuition claims with State Department of Public Instruction and have claims approved. Extent of participation: 116 districts and 7 counties received tuition payments. Distributed: Tuition payments are made in May and June.

STATE SUPPORT, 1971-72

WISCONSIN

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
MILWAUKEE LANGUAGE CENTER (S. 20.255(1))	$ 2,000,000 (.6%) A specific appropriation.	State share: 100 percent of calculated amount. Local share: There is no local requirement for participation in this type of aid.	Requirements for participation: None. Extent of participation: Only to Milwaukee. Distributed: Paid in quarterly installments.
EMPLOYER'S CONTRIBUTION TO TEACHERS' RETIREMENT FUND (SS.42.46(2), 42.60 (6))	$ 38,781,900 (11.9%) Each teacher participating in the retirement system must pay 4.5 percent of his annual teaching income to the teachers' retirement fund, 6 percent if he is not covered by Federal social security. The State matches from 50 percent (in the case of a first-year teacher) to 200 percent (for a teacher with 30 years' experience) of the teacher's contribution from the first $3,000 of annual salary. The legislative appropriation is paid from one State agency to another, in trust for the teachers; it does not go through the local districts.	State share: 100 percent of calculated amount. Local share: School districts are not required to make any payments at all for teachers' retirement.	Requirements for participation: Districts must withhold the required teacher's contribution from teacher paychecks and report salary and experience information to the State. Extent of participation: 444 school districts, 19 CESA's and 69 counties. Distributed: Payments are made monthly into the Teachers' Retirement Fund.
EMPLOYER'S CONTRIBUTION TO TEACHERS' SOCIAL SECURITY FUND (SS. 40.40 through 40.42)	$ 23,475,900 (7.2%) The legislative appropriation is paid from one State agency to another, in trust for the teachers; it does not go through the local districts.	State share: The State pays the employer's share of social security costs as specified by Federal law. Local share: School districts are not required to make any payments at all for teachers' social security.	Requirements for participation: Districts must withhold the required teacher's contribution from teacher paychecks and report salary information to the State. Extent of participation: 444 school districts, 19 CESA's and 30 counties. Distributed: Payments are made monthly into the Teachers' Retirement Fund.
STATE TRUST FUND LOANS (S. 25.01)	$ 6,808,978.25 The State Trust Fund consists of money derived from the sale of public lands. As loans from the fund are repaid, money continues to be available for new loans.	State share: Approximately $6,000,000 is available each year. Local share: Local districts repay the loan, and 4.5 percent interest, by collections through the tax roll.	Requirements for participation: Districts must obtain approval of their applications, have an outstanding debt of less than 5 percent of the equalized value of taxable property for common elementary school districts, or 10 percent for other districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
STATE TRUST FUND LOANS--continued		Extent of participation: There are approximately 2,000 outstanding loans; however, many districts have more than one loan. Reorganization of school districts has consolidated many of the loans. The average loan is $171,000. 278 districts have outstanding loans totaling $47,552,058.94.

WISCONSIN

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1971-72

Provisions for Raising School Revenue

Property assessments: Property valuations for taxation purposes are established by local assessors who are generally elected but are appointed in some cities. The State Department of Revenue conducts assessment ratio studies to determine variations in the level of assessment among the State taxing districts which are used for apportioning taxes in districts lying in more than one municipality, for apportioning school equalization aid, and to alter the effect of tax-rate limits on tax productivity and debt limits on local borrowing power. The county board equalizes valuations for county tax purposes but most counties now use the State-equalized valuations. County taxes and taxes of school districts lying in more than one municipality are levied on the local assessed valuation and apportioned on the equalized valuation.

Intermediate districts: Counties are required to levy a tax sufficient to produce $350 per elementary teacher unit for elementary and 12-grade districts that have levied at least 3 mills or 5 mills, respectively, on the State-equalized valuation. The county tax levy is limited to 10 mills for all county purposes including schools.

Local districts: Direct property taxation is the major source of revenue available to local school districts. In addition, minor income is derived from such quasi-property taxes as mobile home fees, payments in lieu of taxes, utility taxes, and forest taxes. These sources of revenue are the sole non-Federal support for capital outlay and debt service.

Provisions for School Indebtedness

Initiating bond issues: Proposals to issue bonds are initiated by school boards or at annual meetings in common school districts, and must be approved by city councils in 45 city districts.

Limitations on issuance of bonds: Bonds may be either serial or term. District boards may borrow for period up to 10 years on their own motion. Bonds must be retired within 20 years.

Limitations on bonds: In common school elementary districts, bonds may be issued for capital outlay purposes up to 5 percent of the equalized valuation and up to 10 percent in any school district offering no less than grades 1-12 and which is eligible for the highest level of school aids. In city districts, the amount of bonds for all purposes, including school bonds, is limited to 10 percent of the equalized valuation. These limits are contained in the Constitution. No State agency can fix the debt limit or approve a higher limit in special cases.

Voting requirements: In common and unified school districts, all school bond issues must be approved by majority of the qualified electors who participate in a special election held for that purpose. City district bond issues are only subject to the approval of the council or referendum.

Approval and sale of bonds: When school bonds have been properly authorized and voted pursuant to statutory proceedings, no State approval is required. Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds and it is not necessary that they first be offered to a State agency. Funds from sales of bonds not immediately needed may be invested.

Bond records, tax levies, and payments: Before bonds can be issued, an irrepealable special levy for debt service must be authorized to the extent necessary to meet the full obligation. This levy is in excess of limitations on levies for current operation. School bond records are kept by the board of common and unified school districts and by the city officials in city school districts.

Short-term indebtedness: Boards of education may borrow up to 50 percent of anticipated revenues for current expenditures. These loans must be repaid during the fiscal year. Sometimes they are repaid by negotiating another short-term loan, or they may be connected to long-term debt by board or district meeting action.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: School budgets are prepared by local school officials. The school fiscal year begins on July 1 and ends on June 30; however, the 45 city districts must budget for the calendar year also because cities operate on a January 1 to December 31 fiscal year.

Local approval: In common and union high school districts, these budgets are reviewed and given final approval at the annual school meeting and do not require further approval by the municipality. In the 45 city districts, the budgets must be reviewed and approved by the city council. Local school board action on budgets must be taken by the third Monday in July by union high school districts, by the fourth Monday in July in common school districts, and by the second Monday in November for city school districts. Budgets must be published or posted before adoption.

State review or approval: The State Superintendent of Public Instruction is required to approve budgets of districts in which State aids exceed 50 percent of total receipts of the districts and review budgets in one-third of the districts in which per-pupil cost exceeds the State average by $100 or more.

Provisions for School Audits

Sections 120.14, 120.49, 120.75 and 119.04 provide that: (1) At the close of each fiscal year, the school board of each school district shall authorize an audit of the school district accounts or employ a licensed accountant to

Provisions for School Audits--continued

audit the school district accounts and certify the audit. The cost of the audit shall be paid from school district funds. (2) The school board may request the Department of Administration in accordance with S. 16.58(4) to audit the school district accounts and advise and make recommendations concerning existing systems of accounts.

(3) The annual meeting may authorize and direct an audit of the school district accounts either by a licensed accountant or by the Department of Administration.

In addition, the Department of Public Instruction performs financial reviews in about 90 selected districts each year.

WYOMING

PUBLIC SCHOOL FINANCE PROGRAM, 1970-71

WYOMING PUBLIC SCHOOL FINANCE PROGRAM, 1970-71 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Sidney C. Werner, Assistant Superintendent of Business and Finance, Wyoming Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 39 percent of the non-Federal revenue for public elementary and secondary schools, including only State, county, and local revenue receipts, is provided by the State.

2. Earmarked State taxes for school support, which account for about 64 percent of the money available for distribution, are derived principally from oil royalty income, a 6-mill State property tax, and a tax on motor vehicles. Also, 23 percent is endowment income from the Common School Land Income Fund and 12.63 percent is from legislative appropriation.

3. Approximately 96.4 percent of the State money for local school systems is apportioned under the foundation program formula.

4. The School Foundation Program Fund provides a support level of $11,800 per classroom unit for school operating costs plus additional amounts for transportation and transportation capital outlay, vocational education, kindergartens, and the instruction of retarded children.

5. About 23 percent of the State funds distributed to local school systems is allotted for general school purposes on the basis of 60.50 per census child, 6 to 21 years of age, inclusive.

6. State loans for school construction are provided through the Emergency School Construction Assistance Fund.

LOCAL SUPPORT

1. Local and county revenue for public elementary and secondary schools obtained from property taxes account for about 88 percent of the local revenue receipts. The remaining 12 percent is from other sources, such as poll taxes, fines and forfeitures, motor vehicle fees, and the forest reserve fund.

2. Full participation in the School Foundation Program Fund requires a 9-mill tax rate for K-12 districts; 6 mills for elementary districts supporting a high school; 3 mills for special high school districts; and 9 mills for elementary districts not supporting a high school.

3. Current expense tax levies for grades K-12 based on county assessed valuations of taxable property are limited to 22 mills without electoral approval and 28 mills with voter approval.

4. Counties may levy a tax on the county valuation of taxable property to produce $300 per teacher and $300 to $450 per bus driver, but the rate may not exceed 3 mills.

5. A Special Building Fund, authorized for a period of years by electoral approval, may not exceed 4 percent of the district's assessed valuation.

6. Total bonded indebtedness and the amount authorized for the Special Building Fund may not exceed 6 percent of the county assessed valuation for either elementary or secondary grades or 10 percent in total for grades K-12.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances

Total	(1970-71) $20,598,854.54[1] (100.0%) (Est. 1971-72) $23,500,000.00
SCHOOL FOUNDATION PROGRAM FUND (Ch. 119, Laws of 1955, as amended. Ch. 67, SLW, 1959, Sec. 1, Ch. 192, SLW, 1961, Sec. 1, Ch. 72, SLW, 1963, Ch. 190, SLW 1965)	(1970-71) $19,856,854 (96.4%)
Current expense..................	$11,800 per classroom unit. $12,000 for FY '73 and thereafter.
Elementary, grades 1-8.........	1 unit for each 25 pupils in ADM for schools with 200 or more pupils.
Secondary, grades 9-12........	1 unit for each 25 pupils in ADM for schools with 300 or more ADM.
Small schools...........	

Grades 1-8			Grades 9-12		
ADM	Divisor	Minimum units	ADM	Divisor	Minimum units
Under 25	10	1.00	Under 25	10	1.00
25-44	15	2.40	25-59	12	2.40
45-89	18	2.93	60-109	15	4.91
90-139	20	4.94	110-169	18	7.27
140-199	23	6.95	170-239	21	9.36
200 or more	25	8.65	240-299	23	11.38
			300 or more	25	13.00

Increased or decreased attendance...................	Allowable classroom units are recalculated on current ADM basis if ADM is 100 or 10 percent greater than the previous year's ADM. A decrease of 10 percent is never calculated unless a district has an increase and decrease, then both computations are made. If the district is to receive more money by recalculation the additional is allowed. If less, the same amount due the district before the computations is allowed.
Vocational education..........	One classroom unit is allowed for each occupational instructor teaching occupational subjects for which he is certificated, full time. For less than full time a proportionate fraction of a classroom unit will be allotted.

State and local shares for support of the calculated State program allowance

State share: Total cost of minimum program, minus local district resources.

Local share: Standard tax rates based on local assessed valuations:
K-12 districts, 9 mills
1-8 districts, not in a high school district, 9 mills
1-8 districts in a high school district, 6 mills
9-12 districts, 3 mills.

In addition, a mandatory 12-mill county mill levy is required.
K-12 - 12 mills
1-8 - 8 mills
9-12 - 4 mills

The yield of this levy is distributed back to the districts on a percentage basis determined by taking the districts classroom units for the previous year and dividing it by the total classroom units in the county.

Requirements for and extent of school district participation and schedule for distributing State aid

Requirements for participation: Meet all requirements set forth by law and levy required tax rates.

Extent of participation: 83 school districts estimated for 1971-72.

Distributed: August 15, September 15, February 15, March 15, April 15, and May 15.

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[1] This includes a Supplemental Aid Program which will be in effect for the next two years. See below under Supplemental Aid

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL FOUNDATION PROGRAM FUND--continued			
Administration................	1/7 unit for each elementary, secondary, vocational and retarded unit.		
Kindergarten..................	1 unit for each 25 full-time kindergarten ADM or each 50 half-time ADM.		
Retarded children.............	1 unit for each class of 10 retarded. Each school providing a class for the educable retarded and for pupils evaluated or diagnosed as having physical, psychological, or social disabilities which impair learning, is allowed one unit ($11,800) for each class of ten (10) or more pupils and proportional units for fewer than ten (10) pupils; and one (1) full unit, or proportional fraction thereof, for each eight (8) pupils identified as trainable retarded; provided a properly certificated teacher qualified to teach pupils having the disabilities indicated.		
Pupil transportation..........	3/4 of bus operation and maintenance cost credit to the Foundation Program cost.		
Capital outlay for purchase of buses......................	1/6 of total cost credit to the Foundation Program cost.		
Isolation.....................	3/4 cost of isolation payments credit to the Foundation Program cost.		
Homebound children............	3/4 cost of homebound payments credit to the Foundation Program cost.		
Tuition.......................	Cost of tuition, except tuition for high school students in elementary districts not supporting a high school, then only the amount in excess of 5 mills, times the valuation for the year the obligation was incurred.		
Supplementary special education costs..............	Amount approved by the Exceptional Children Division, State Department of Education.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
SCHOOL FOUNDATION PROGRAM FUND--continued			
Supplemental aid..............	The amount of assessed valuation necessary to bring the district up to the State average multiplied by a prescribed millage rate equals the State supplemental aid. Prescribed mill levy for this program: elementary district, 4 2/3 mills; high school district, 2 1/3 mills; unified district, 7 mills.		
COMMON SCHOOL LAND INCOME FUND (Nonrestricted, grades K-12) (Sec. 2, Art. VII, Constitution)	(Est. 1970-71) $ 742,000 (3.6%)		
Nonrestricted, grades K-12....	Proportion of State children 6-21 years of age, inclusive, in district. ($60.50 per census child for 1970-71.)	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Take and report an annual school census of all children 6-21 years of age, inclusive. Extent of participation: 83 school districts. Distributed: September 30 and March 31.
LOAN FUND			
EMERGENCY SCHOOL CONSTRUCTION ASSISTANCE FUND (Ch. 95, Acts of the 1957 Wyoming Legislature)			
Emergency School Construction Assistance....................	State Farm Loan Board approves or disapproves loans and may issue bonds. Cost of approved facilities.	State share: State has appropriated $2,000,000 for loans. Cost of approved facilities, minus amount that can be provided locally. Local share: Amount obtainable for having borrowed up to 95 percent of maximum, sometime during the past 3 years.	Requirements for participation: District bonded indebtedness of 95 percent of limit at time of or within 3 years of date of application. School building emergency beyond financial capacity of the district must exist. Administered by State Farm Loan Board consisting of Governor and State Land Commissioners. Extent of participation: 9 school districts.

WYOMING

PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1970-71

Provisions for Raising School Revenue

Property assessments: County assessors, elected by popular vote, set the valuation to be placed upon property for taxation purposes. The county board of equalization can designate changes and corrections to be made by the county assessor before the assessment roll is sent to the State Board of Equalization. The State Board of Equalization is empowered to review the valuations placed upon property by the various assessors and may revalue the property to bring figures into uniformity over the State. In addition, the State Board of Equalization conducts an annual assessor's school and employs two appraisers, who provide expert assistance to county assessors in the appraisal of industrial property. Most of the State's industrial property has been assessed in this program.

The 1955 State Legislature provided for real and personal property to be assessed at "fair value" in conformity with values and procedures prescribed by the State Board of Equalization rather than "true value." Although the State's statutory assessment standard is fair value, a level of 25 to 30 percent of true value is the current practice. The State has power to order reappraisals but none have been issued to date.

Intermediate districts: Intermediate districts in the State are counties. These districts are empowered to levy a 3-mill property tax on the county-assessed valuation, but not to exceed $300 per teacher, and $300 to $450 per bus driver, depending upon the bus route. There is no provision whereby this levy may be increased. Intermediate districts have no revenue source other than property taxes. Proceeds from the 3-mill tax levy are for current operating expenses.

Local districts: Statutory limitations on the tax millage, according to types of educational program, are as follows:

Type of school district	12-mill mandatory levy	Maximum levy without voter approval (mills)	Maximum levy with voter approval (mills)
K-12	12	22	28
1-8	8	12	18
9-12	4	8	10

Levies necessary for debt service are outside these limitations.

Upon a vote of the school patrons, the board of trustees may establish a Special Building Fund not to exceed 4 percent of the local assessed valuation of the district and may authorize a tax for this fund for a period of years. The total bonding and building fund limitation may not exceed 10 percent of the assessed valuation. There is no limit to the tax rate for this purpose.

Local revenue from sources other than property taxes include grazing permits, fines, fees, poll taxes, and forest permits. (Motor vehicle--not included in property tax.)

Provisions for School Indebtedness

Initiating bond issues: Local boards of education must initiate all bond issues. The bonds are issued by and become an obligation of the local district.

Limitations on issuance of bonds: School districts may but are not compelled to issue serial bonds. Bonds may be issued to run 25 years for coupon bonds and 30 years for refunding bonds.

Limitations on debt: The legal limit for bonded debt in Wyoming, as provided by statute, is 10 percent of the assessed valuation of the school district. The bond limitations for the various districts are: elementary, grades 1-8, 6 percent; a unified district, grades K-12, 10 percent. Local school patrons have sole authority to call for a vote on bond issues. When two districts are bonding on the same valuation, neither district may exceed 6 percent nor may the total debt of either district exceed 10 percent.

Voting requirements: No bonded debt may be created except by vote of the people. Local school trustees submit the bond proposal at an election held for this purpose. One ballot box will be used in 1971-72.

Approval and sale of bonds: State approval of local bond issues is not required and the State does not give assistance with the sale of local bonds. Bond sales are under the jurisdiction of the local school board. The State has no a priori rights to purchase local bonds but bids on all bond issues in order to help obtain improved interest rates. No group or body is given preference in that the school trustees are simply required to "give notice in some newspaper of general circulation...that said school trustees will sell bonds." Funds from the sale of bonds not immediately required for building purposes may be invested until needed.

Bond records, tax levies, and payments: County commissioners and the county treasurer are responsible for maintaining bond records and seeing that sufficient funds are on hand to retire bonds and pay the interest due. Tax levies to retire bonds and pay interest on the bonds are over and above those authorized for the purpose of raising funds for current operating expenses.

Short-term indebtedness: The Constitution of the State of Wyoming provides: "No debt in excess of the taxes for the current year shall, in any manner, be created by any county or subdivision thereof, or any city, town, or village, or any subdivision thereof in the State of Wyoming, unless the proposition to create such a debt shall have been submitted to a vote of the people thereof and by them approved." The statutes provide that any indebtedness in excess of the constitutional limitation shall be void and makes the individual board members responsible for such debt.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms: Budget forms for common school districts are provided by the State Department of Education, but for unified districts are prescribed by the State Examiner. The fiscal year for all school districts begins July 1 and ends June 30.

Local approval: School districts to which the Municipal Budget Act does not apply, the board of trustees shall make and tentatively approve a budget by June 15 of each year. The board of trustees shall hold a public hearing on

Provisions for School Budgets--continued

the tentative budget on the fourth Wednesday in July. On the day following the public hearing, the board of trustees shall meet and adopt a final budget. At least two weeks prior to the date of the public hearing, the board of trustees shall cause notice of the hearing and a summary of the tentative budget to be published in a newspaper of general circulation in the county in which the school district is located. A copy of the budget finally adopted shall be certified by the chairman and clerk and filed with the board of county commissioners on or before their first meeting in August. Unified districts must publish their budget once in a daily or weekly newspaper having general circulation in the county in which the district is located on or after July 14, and are required by statute to hold a hearing the fourth Wednesday in July, at 8 p.m., at some designated place. Final budget adoption must be the day following the hearing.

State review or approval: There is no provision for budget review by a State agency and school districts are not required to file a copy of the budget with the State. However, the State Department of Education does request a copy for reference.

Provisions for School Audits

The Office of the State Examiner is required to make an annual audit of the accounts of all school districts by statute.

DISTRICT OF COLUMBIA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

DISTRICT OF COLUMBIA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on public support for local school services. Mildred P. Cooper, Assistant Superintendent for Research and Evaluation, Public Schools of the District of Columbia, served as the District authority for preparation and review of this section.

Selected Program Facts

1. The District of Columbia Board of Education is an autonomous board in all matters except those of a fiscal nature.

2. The annual budget for the District schools is prepared by the Board of Education and submitted to the Mayor-Commissioner of the District of Columbia. Upon approval by the Commissioner, it becomes a part of the District of Columbia budget, which, in turn, becomes a part of the President's budget. The fiscal year is the same as that for the Federal Government. Appropriations and budgets are approved for the year which begins on July 1 and ends on June 30.

3. The budget as prepared by the Board of Education is subject to review and change by the Mayor-Commissioner of the District of Columbia, the United States Bureau of the Budget, and the House and Senate Appropriations Committees of Congress.

4. Of the $174,165,900 reported school appropriation in the District for the 1971-72 school year, 83.9 percent, or $146,111,100, is regarded as coming from local sources and the remaining 16.1 percent, or $28,054,800, is regarded as coming from Federal sources. (Figures estimated.)

5. Local funds for school and other local purposes are derived from general property, personal property, income, sales, and use taxes.

6. Property valuations for taxation purposes are determined by the Assessor of the District of Columbia who is an appointed official. Assessment procedures are not supervised by other District officials, nor do other District officials have the authority to change the assessments.

7. Public Law 85-451, dated June 6, 1958, amended by Public Law 88-104, dated August 27, 1963, permits the District of Columbia to borrow from the U.S. Treasury to assist in financing the cost of constructing facilities. The total amount of loans pursuant to this law cannot exceed $175 million. School facilities are included in the act, but a specific limitation for that purpose is not imposed.

8. All expenditures for the District schools are made through the Accounting Officer and the Disbursing Officer of the District of Columbia. All vouchers are audited, in addition, by the General Accounting Office.

AMERICAN SAMOA

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

AMERICAN SAMOA PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on public support for local school services. Tyman [illegible] tephens, Business Manager, American Samoa Department of Education, served as the local authority for preparation and review of this section.

Selected Program Facts

1. American Samoa provides and supports one centrally operated school system. There are no other taxing political subdivisions in American Samoa.

2. All budget forms are prescribed by the Government for the total program of education. The fiscal year begins July 1 and ends June 30. The Director of Education is responsible for the formulation of the school budget which is presented to the Government's Budget Director who modifies or approves it. When the budget is approved by this official, it is sent to the Governor for confirmation.

3. All tax funds are placed in a general fund.

4. There is only one form of tax (as distinguished from customs duties, auto licenses, etc.) imposed by the Government of American Samoa. This is an income tax, essentially the same (including rates) as the United States income tax. The only significant difference between the Samoan and the U.S. income tax is that under the Samoan tax law, the minimum tax to be paid by an individual is 2.5 percent of his adjusted gross income, regardless of the number of exemptions or amount of deductions. The corporate tax is the same as that of the United States.

5. There are no laws or regulations which would authorize the issuance of school bonds.

6. Budget accounting is centralized in the government office of the budget where it is under constant observation by the audit officer.

CANAL ZONE

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

CANAL ZONE PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on public support for local school services. A. H. Byrd, Administrative Officer, Canal Zone Division of Schools, served as the local authority for preparation and review of this section.

Selected Program Facts

1. The Canal Zone provides and supports one centrally operated school system. All appropriations of funds for education are made by Congress on the basis of the budget approved for the schools.

2. Appropriations are made by Congress to the Canal Zone Government for the support of the Canal Zone schools. However, the full cost, including plant depreciation, is repaid to the U.S. Treasury from the following sources: (1) appropriated funds of Federal agencies operating on the Isthmus, other than the Canal Zone Government or the Panama Canal Company, to cover the cost of schooling for children of the employees of such agencies; (2) tuition collected from parents not employed by the Federal Government and tuition collected from junior college students; and (3) revenues of the Panama Canal Company for the remainder due the Federal Government.

3. There is no authorization for the creation of school indebtedness.

4. Budget forms are prescribed by the Office of Management and Budget for the fiscal year which begins on July 1 and ends on June 30.

5. Budget estimates are prepared by the Superintendent of Schools and presented to the Governor of the Canal Zone.

6. School budgets are reviewed by the Governor and combined with estimates for other civil government functions to form a budget request for the Canal Zone Government. After the customary review by the Office of Management and Budget, the estimates are incorporated in the President's annual budget submitted to the Congress of the United States for inclusion in the appropriation bill.

7. The Canal Zone Government accounts are audited by the internal audit staff of the Panama Canal Company and the Comptroller General of the United States.

GUAM

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

GUAM PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on public support for local school services. Richard G. Tennessen, Deputy Superintendent-Educational Plans, Research & Communications, Guam Department of Education, served as the local authority for preparation and review of this section.

Selected Program Facts

1. The Territory of Guam has one public school system which is for the entire territory. It is administered by the Director of Education who is equivalent to a State Commissioner of Education. All of the money is received directly from appropriations from the territorial legislature. Capital outlay is financed by local pay-as-you-go funds and by funds received under the Guam Rehabilitation Act which is half-and-half grant under authorization of the U.S. Congress.

2. The one public school system in the Territory prepares its own budget in a form agreed upon with the Budget Department of the Territory. The fiscal year begins on July 1 and ends on June 30.

3. The school budget is prepared by the Director of Education with the approval of the Board of Education. For FY 1972 the operating budget is $21,556,075.

4. The budget for the schools is filed with the Governor in the fall of each year in time to be presented to the legislature, which meets on a continuous basis. A budget reviewing board, appointed by the Governor, makes recommendations on the budget and when approved by the Governor, it is then presented to the legislature.

5. Property taxes are not assessed specifically for school purposes, but are for all governmental services and are apportioned by the legislature.

6. There are no laws or regulations which authorize the issuance of all school bonds.

7. Books of the fiscal operations of the Territory are kept by the Department of Finance; however, the Department of Education keeps its own records in addition to those of the Department of Finance. The audit section of the Department of Finance makes periodic audits of the fiscal operations of all departments. In addition, a yearly audit of all records by an independent auditing agency is provided.

8. There is no State aid as normally defined in the States. There are no tuition charges for the public school system as such.

9. Non-public school pupils participate without charge in the regular school bus transportation program. In addition to this, non-public schools are loaned, without charge, textbooks to be used in their classes.

10. In 1969 a Non-Public Elementary and Secondary Education Act was approved; this permits reimbursement to private and parochial schools for certain secular education services. Yearly appropriation for this purpose is approximately $200,000.

PUERTO RICO

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

PUERTO RICO PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on public support for local school services. Irma de Vazquez, Director, Budget Division, Puerto Rico Department of Education, served as the Commonwealth authority for preparation and review of this section.

Selected Program Facts

	TOTALS	COMMONWEALTH FUNDS	FEDERAL FUNDS
TOTALS	$326,676,903	$261,186,281	$65,490,622
1. Payments for personal services and general expenses (other than those included in the items below)	201,695,329[1/]	175,642,767	26,052,562
2. School lunch program	32,699,739[2/]	19,899,739	12,800,000
3. Capital outlay[3/]	19,995,510	16,400,000	3,595,510
4. Vocational and technical education (including transportation to regional vocational schools)	37,356,239[4/]	22,262,562	15,093,677

1/ In addition there is approximately $8.5 million not included in this appropriation of funds, from the following sources:

Federal Funds

a- San Juan Municipal Government-grant by Model Cities Act	$1,338,000
b- Committee to Fight Crime-grant by the Omnibus Crime Control and Safe Streets Act	316,665
Total Federal Funds	$1,654,665

Commonwealth Funds

a- Permanent Commission for the Control of Narcomania	$ 400,000
b- Christmas Bonus for Government Employees	6,500,000
Total Commonwealth Funds	$6,900,000

2/ This appropriation is supplemented by a donation of food from the U.S. Department of Agriculture valued at approximately $6.0 million; a contract for $199,858 with the Puerto Rico Right To Employment Administration for salaries to develop the Child Breakfast Program; and $222,000 from meals served to Head Start Program.

3/ For construction of academic and vocational schools, Job Corps Centers, public libraries, and purchase of basic equipment for new schools.

4/ Includes grants by: Manpower Development and Training Act ($2,319,800); Economic Opportunities Act for Neighborhood Corps ($2,550,000); and Social Security Act (Youth Work Incentive Program - WIN- $1,402,000). In addition there is $753,181 of Federal funds, through contracts with other Commonwealth agencies, as follows:

Department of Labor - grant by Economic Opportunity Act	$ 60,000
Department of Public Works - grant by National Highway Safety Act	219,000
Department of Health - grant by National Highway Safety Act	240,182
San Juan Municipal Government - grant by Model Cities Act.	238,999

PUERTO RICO

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

Selected Program Facts--continued

		TOTALS	COMMONWEALTH FUNDS	FEDERAL FUNDS
5.	Pupil transportation services	$ 4,560,000	$ 4,000,000	$ 560,000
6.	Free textbooks and periodicals	4,443,470	4,013,470	430,000
7.	Adult education	3,064,525	2,373,450	691,075
8.	Educational radio and television	2,224,298	2,224,298	--
9.	Community action:			
	a) Adult education in Civil Defense	37,600	--	37,600
	b) Community education program	1,842,991	1,202,991	640,000
10.	Veteran education (vocational and technical)	375,860	375,860	-
11.	Scholarships for talented pupils	900,000	900,000	--
12.	Scholarships for poor students and war veterans in colleges or universities	550,000[5]	550,000	--
13.	Trust funds under the custody of municipal treasuries for the use of school districts in the purchase of materials, supplies and minor repairs (distributed on enrollment basis)	750,000	750,000	--
14.	Vocational rehabilitation[6]	--	--	--
15.	Purchase and distribution of shoes to indigent pupils[6]	--	--	--
16.	Public libraries	1,511,320	1,027,616	483,704
17.	Dramatic art, visual art, and School of Music	4,139,231	3,209,880	929,351
18.	Education of physically and mentally handicapped chilren	3,228,148[7]	1,603,980	1,624,168
19.	Minor repairs of school buildings	1,059,300	1,059,300	--
20.	Training:			
	a) In-service training	2,647,975	1,144,000	1,503,975
	b) Student Teachers Training Centers	269,380	269,380	--
21.	Job Corps	3,305,447	2,256,447	1,049,000
22.	Board of Appeals of the Public Education System	20,541	20,541	--

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[5] In addition the Puerto Rico Department of Health transfers $250,000 for scholarships in medicine.

[6] These services were transfered to the Department of Social Services.

[7] Includes a contract for $125,000 with a private institution for the education of deaf children.

VIRGIN ISLANDS

PUBLIC SCHOOL FINANCE PROGRAM, 1971-72

VIRGIN ISLANDS PUBLIC SCHOOL FINANCE PROGRAM, 1971-72 is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on public support for local school services. Harold C. Haizlip, Commissioner, Virgin Islands Department of Education, served as the authority for preparation and review of this section.

Selected Program Facts

1. The Department of Education in the Virgin Islands (St. Thomas, St. Croix, and St. John) operates all public schools in the three islands under one administrative staff and is financed by appropriations made annually by the Legislature of the Virgin Islands and approved by the Governor. The Budget Director advises the Commissioner of Education, through advice on allotment, of the amount the Department will actually receive. This amount may be less than but cannot exceed the appropriation. A proposed apportionment of alloted funds is prepared by the Commissioner for approval by the Budget Director.

2. The system has a pupil enrollment for the school year 1971-72 of $19,477 and operates with a budget of $26,406,000. Its per pupil cost is $968.

3. All taxes and fees collected in the Virgin Islands, including Federal income tax, are deposited in the Treasury of the Virgin Islands. Additional revenues are derived from contributions from Federal matching funds. A portion of all revenue is appropriated by the Legislature for the operation of the Department. The islands share the benefits of such national programs as Vocational Education, School Lunch, National Defense Education Act, and the Elementary and Secondary Education Act.

4. One budget for the entire Department of Education, including all public schools and other activities operated under the Department, is prepared by the Commissioner of Education, approved by the Board of Education, and submitted to the Budget Director who compiles a Virgin Islands Government budget for the Governor's approval and subsequent submission to the Legislature. The fiscal year begins on July 1 and ends on June 30 of the following year. Budget forms are prescribed by the Office of the Budget Director for all departments of the Virgin Islands Government, including education, and are reviewed and amended by the same office. The final budget is passed by the Legislature and approved by the Governor.

5. The Virgin Islands Government is authorized to issue bonds. Large portions of proceeds have been allocated for school construction.

6. Audits of all accounts are made by the Comptroller of the Virgin Islands and the Virgin Islands Department of Finance. The regional auditor of the U.S. Department of Health, Education, and Welfare audits federally supported educational programs, and the regional auditor of the U.S. Department of Agriculture audits the School Lunch Program.

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